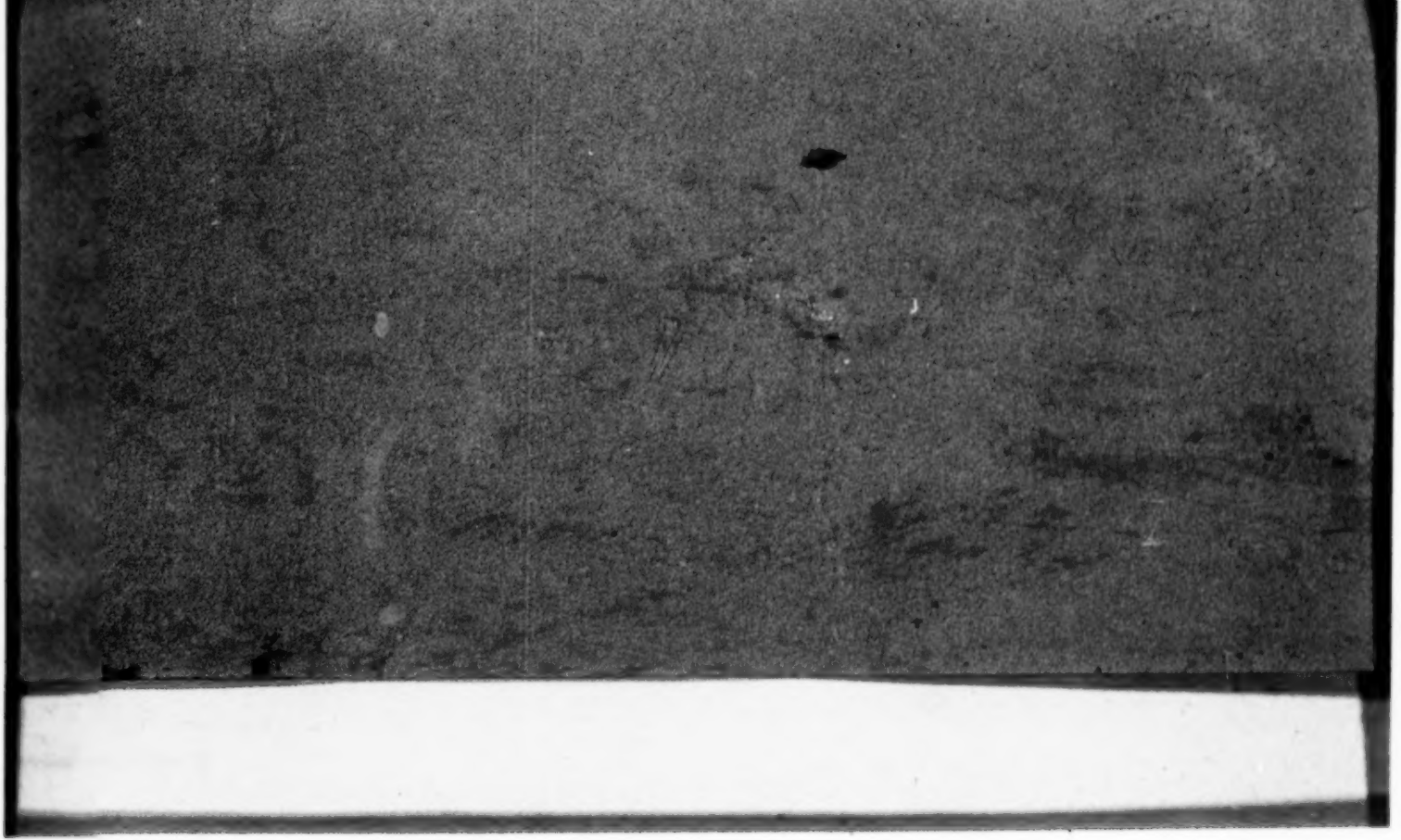

INDEX.

VOLUME VI.

	PAGE
Testimony of Walter R. Addicks (cross)	3919
Complainant's Exhibit 338	4005
Complainant's Exhibit 339	4178
Complainant's Exhibit 340	4354
Complainant's Exhibit 341	4356
Complainant's Exhibit 342	4358
Complainant's Exhibit 343	4359
Complainant's Exhibit 344	4366
Complainant's Exhibit 345	4501
Complainant's Exhibit 346	4504
Complainant's Exhibit 347	4515
Defendant's Exhibit LL	4469
Defendant's Exhibit MM	4475
Testimony of John H. N. Armstrong (direct)	4543
Complainant's Exhibit 348	4557
Testimony of John H. N. Armstrong (cross)	4557
Complainant's Exhibit 349	4560
Testimony of George E. Woods (recalled direct)	4622
Complainant's Exhibit 350	4629
Complainant's Exhibit 351	4658
Complainant's Exhibit 352	4664
Complainant's Exhibit 353	4683
Complainant's Exhibit 354	4702
Testimony of George E. Woods (cross)	4721
Offer of Exhibits by complainants	4763
Complainant's Exhibit 355—	
(for identification)	4763
(received)	6157
Complainant's Exhibit 356 (for identification)	4763
Complainant's Exhibit 357 (for identification)	4764
Testimony of George E. Woods (cross)	4764
Complainant's Exhibit 358 (for identification)	4813

CONSOLIDATED GAS COMPANY OF NEW YORK vs. NEWTON, ETC., *et al.* 11755

Before ABRAHAM S. GILBERT, Special Master.

New York, October 6, 1919.

Met pursuant to adjournment.

Present: MR. RANSOM, MR. VILAS and MR. GOETZ, of Counsel for Complainant.
MR. CHAMBERS, of Counsel for defendant Newton.
MR. HAYWARD, MR. CLARK and MR. NEUMANN, of Counsel for Public Service Commission. 11756
MR. O'BRIEN, of Counsel for defendant Swann.

WALTER R. ADDICKS resumed the stand.

CROSS-EXAMINATION CONTINUED BY MR. CHAMBERS:

Q. We were speaking of the year 1908, when we left off, Mr. Addicks. Did you or did you not make any investigation of what these other companies were paying for oil in New York at that time? 11757

Mr. Ransom: When?

The Master: At that time, he said, in 1908.

Q. Before you made your contract?

Mr. Ransom: What contract?

The Master: Mr. Ransom, I am going to ask you to sit down.

Q. Before you made your contract for oil, Mr. Addicks, in 1908, appreciating that you made one for—was it a three year contract at that time?

A. Yes.

Q. As I recall it, it was.

A. Yes.

Q. Did you learn what the companies were paying around here in this vicinity for oil?

A. I did not make a contract in 1908.

Q. No, but before you made the one in 1906, did you learn?

A. Oh, 1906?

Q. Yes, did you learn what the companies were going to pay in 1908?

A. No, I do not recall that I had that information
11759 at that time.

Q. Your contract of 1906—we better get out all of those contracts.

A. They are right here (handing papers).

The Master: Haven't you got copies of them?

Mr. Chambers: No, haven't heard a thing of them; have not seen or heard a word about them.

Mr. Ransom: They were all sent to the New York office.

The Master: The originals are here.

Q. What investigation did you make before you entered into this contract, Exhibit 318, about the price of oil paid by other companies?

11760 A. No company had ever made, or so far as I know of, considered a contract of the character which I made at that time.

Q. You mean in what way, as to the length or duration of the contract? A. No. The character of the contract, to accomplish the purpose.

Q. I don't quite understand what you mean by that.

A. A law had been passed which required 22 candle power gas in place of 20, and under the most strenuous requirements, so far as I know, the most severe that ever had been known in the industry. It

involved a thousand dollars' fine, the law providing that the Commissioner should take the candle power of the gas every day, or as often as he saw fit.

Q. You mean by that, that no other—what has that to do with the contract you made? You said no other company made a contract of the character of the one you made, speaking of Exhibit 318.

A. Special conditions that existed required a special contract and a special order to carry out those requirements.

Q. All gas companies were treated alike, so far as that law was concerned, weren't they? 11762

A. So far as the law was concerned, undoubtedly in New York City.

Q. And the statute you speak of was passed by the Legislature?

A. Yes.

Q. Now, wherein does this have any characteristic or essential difference from any other condition surrounding other companies?

A. Well, it confronted the other companies, but probably they did not use as much possible care as I did in making that contract, judging from the failure of their candle power, discovered at a later period.

Q. It is not the quality of oil that has anything to 11763 do with the candle power, is it?

A. The quality of oil has, but whether the quantity has, as I said before—

Q. In what way has the quality to do with the candle power?

A. The quality?

Q. Yes.

A. Well, it is the degree Beaume as indicating quality has something to do with candle power.

Q. You think these other companies were not buying the same quality of oil you were?

A. I don't know, or I did not know at that time, until the investigation of the Commission, which was about the first of January, 1916, and from which all these figures and that whole chart was made up, that you examined me from, and I would not remember just where it came from until that disclosed what the actual contracts of the companies were.

Q. When did you first learn about that?

A. The actual contract of the companies I learned in 1916, that they, I think without exception, none of them specified anything but gas oil.

11765 Q. What did you learn about what the other companies were paying before you made this contract, Exhibit 318?

A. Well, I can't recall that detail at this time. I do not recall any inquiry, and I cannot find any record as to what inquiry I had at that time.

Q. Will you say you did not know what these other companies were paying, these other companies I have asked you about? A. Well, I do not recall that.

Q. You had a way of finding out, didn't you?

A. Well, there was one source, I should say, and that was Brown's Directory, and I do not recall whether I had that at that time or not. I know we

11766 had that during the eighty cent case.

Q. You don't mean to say that at that time when you made this contract, you did not know what money other gas companies in the city were paying for oil?

A. In this city?

Q. Yes.

A. I won't say whether I did or not; I do not recall that.

Q. Well, if you knew you must have learned of those prices that I have asked you about?

A. Well, I certainly did not know those prices you have asked me about, according to that chart, until 1916.

Q. You must have been deceived if you found out what they were paying, but did not find out these particular prices?

Mr. Ransom: I object to the question as to form.

The Master: Objection sustained; it is argumentative.

Q. What prices did you find out they were paying, Mr. Addicks?

A. All other companies?

Q. Yes.

A. Well, I learned in 1916. 11768

Q. No, but I mean before you made this contract. You either did or did not ascertain what they were paying. Now, which is it? Did you?

A. You mean for the quality of oil they were getting at that time?

Q. Yes.

A. Without reference to what I needed?

Q. Yes. I want to ask your memory and find out what you learned about what other companies were paying for oil at the time you made this agreement.

A. That was 1904, and today is 1919.

The Master: I thought Mr. Chambers was talking about 1906. 11769

Q. I am.

A. 1906.

The Master: What has 1904 got to do with it?

A. Pardon me, 1905.

Q. November 1, 1905 I am talking about; what you learned then about the oil furnished the other companies, as to price?

A. I beg your pardon.

Q. What I want to know is, you were about to make a contract for an enormous, an overwhelming, quantity of oil, 255,000,000 gallons. Now, did you

11770 Walter R. Addicks, Cross.

make any effort to ascertain what other companies were paying in this city for oil, gas oil?

A. I do not recall at this time.

Q. Do you mean to tell the Court you did not make any inquiry as to what they were paying at all?

A. I will not say that. I do not think I made inquiries in regard to other companies at that time. What collateral information I had at that time I don't know.

Q. Well, then, are you able to say what inquiry you made regarding the price of oil?

11771 A. Not at this time.

Q. You can't disclose a single thing that was done by you?

A. I can't remember.

Q. It is lack of memory?

A. No, no. Yes, lack of memory. I simply don't remember. If I did, I would be glad to tell you. I do remember very distinctly the negotiations with respect to this contract, and the conditions that surrounded it.

The Master: How much was that contract price?

The Witness: The contract price was 4.29
11772 for 28 gravity oil supplied during the other than winter months, and 4 7/8 supplied during the winter months, as I recall it, commencing in November and ending in March, both ways.

Q. That is for 28 gravity?

A. That is for 34 gravity.

Q. In the winter months?

A. In the winter months.

Q. And in the summer months 28 gravity?

A. 28 gravity in the summer months.

The Master: What do you contend the price should have been that they paid at that time?

Mr. Chambers: I contend that he should have paid a little over two cents. Some of the other companies paid as low as two cents and a fraction.

The Master: I don't care what other companies did, what do you contend he should have paid?

Mr. Chambers: It seems to me he should have purchased it for about two cents.

The Master: You say it should have been between two and three cents?

Mr. Chambers: You have surprised me by the 11774
inquiry. I had not made up my mind what they ought to have purchased it at, but I can safely say that for that quantity, and taking into consideration what the other companies were paying, it could not have exceeded two cents, it seems to me, certainly not over two and a half cents.

The Master: I don't see why you should have been surprised. You should know what your theory is with reference to the price which should have been paid for oil at that time. I wanted to get a picture in my mind as to what the variance ought to be.

Mr. Chambers: I have not made up my mind 11775
about that. I am looking for the facts first, to see what the facts are.

By Mr. Chambers:

Q. This contract was not the result of any public bidding of any kind, was it?

A. No.

Q. You did not call for bids?

A. No.

Q. At the time you made this contract had you then begun the first action to have the statute declared unconstitutional? With relation to the bringing of

that action, was the contract made before the action was begun or after?

A. If I recall correctly that was before the 80-cent law was passed.

Q. That you made this contract?

A. Yes.

Q. Then that destroys your proposition—

The Master: When was the 80-cent gas law passed, Mr. Chambers?

Mr. O'Brien: About May, 1906.

Mr. Chambers: It was passed by the legisla-

11777 ture of 1906.

Mr. Ransom: Effective May 1, 1906.

Mr. Chambers: It was passed by the legislature which went into session January 1, 1906.

The Master: Then Mr. Addicks is correct when he says that the contract was made prior to that.

Q. You said a moment ago when you made this three-year contract, that you had to make a candle power of 22. How does that fit in with the fact that the law had not been passed? A. There were three laws.

Q. There were three laws?

11778 A. Yes.

Q. The 22 candle power law had not gone into effect, so that could not have been the incentive or moving power that caused you to make this contract?

A. It had.

Q. The 22 candle power law had gone into effect?

A. Yes.

Q. When did it go into effect?

A. The year before the other.

By the Master:

Q. That is the spring of 1905? A. I think so.

The Master: Doesn't somebody know that date?

11779

The Witness: Pardon me, the law was passed —yes, I think it went into effect earlier.

The Master: Couldn't somebody give that to us so we can get it on the record? Don't you know, Judge Ransom?

Mr. Ransom: I do not know the effective date of the gas and electricity commission act in the legislature of 1905. There had been a 20 candle power law in effect for some time up to 1905, and then there was the Stevens investigation—

11780

Mr. Chambers: No, he says there was a twenty-two candle power law passed in 1905.

Mr. Ransom: There were two laws. The law which is attacked in this case is the 80-cent gas law.

Mr. Chambers: And that is the 22 candle power law?

The Master: The 22 candle power law, I understand, was passed in 1905.

The Witness: That included 22 candle power as well.

Q. But there had been a 22 candle power law the year before that, you say?

A. Yes, the year before.

11781

Q. Had the company begun the action to have declared unconstitutional the act of 1906 when you made that?

Mr. Ransom: I object to that question.

The Master: I will not allow that question because it speaks for itself.

Q. When you made this contract you had in mind bringing the action to have declared unconstitutional the statute, didn't you?

The Master: There was no statute passed at that time.

Q. Providing for 22 candle power?

A. No, we had no idea of that.

Q. Have you ever attacked the 22 candle power legislation?

A. No, sir, we only attacked the penalty clauses which were in the 80-cent gas act.

Mr. Ransom: The pressure requirements in the 1906 statute were attacked in the bill filed in the summer of 1906, and the penalty provisions.

Q. Before you made this contract, Exhibit 318, had you been in the habit of making contracts for oil
11783 that ran for so long a period?

A. Is that the contract I handed you?

Q. Yes.

A. No.

Q. This is the first contract you made with any such long duration, was it?

A. That is the first contract I recall having personally made and signed.

By the Master:

Q. What was the price immediately prior to this contract?

A. 4.04 for gravity of 28.

Q. Before the year 1905?

11784 A. That contract was made in 1904 and 1905 before there was any legislation thought of in connection with gas. It was at 4.04 for 28 gravity and 4.625 for 34 gravity. The prices for the following year were an advance of one-quarter cent per gallon. The consideration was the delivery of only 34 gravity during the winter time, and only 28 gravity during the summer time, a special condition of affairs that to my mind had never existed before in a contract.

Q. Why did you recommend the making of a contract of such long duration?

A. Because I was warned that if I wanted to have 34 gravity oil I must provide for it in the future.

Q. And you thought it was an exercise of good judgment to do that, did you?

A. Absolutely.

Q. Particularly when the price of oil fluctuates?

A. Yes.

Q. You considered, did you, that this was a rather low price?

A. Well, I didn't think at this time it was out of the way. We had been paying only one-quarter of a cent less under the previous contract, and it did not strike me as out of the way.

Q. If it had not been in your judgment low you 11786
would not have made it for such a long period of time, would you?

A. If it had not been what?

Q. If you thought the price was high you would not have made it for such a long period of time?

A. I think you have got to take all the conditions that surrounded me at that time. It was my best judgment at that time that it was to the interest of the company that we should be assured of that supply of oil, and of a quality that would insure the candle power that the law compelled us to make. They increased the candle power provision and made us use more oil than before, and compelled us to buy more 11787
oil.

Q. What happened to the price of oil between the expiration of this contract? Had it gone down or up?

The Master: I do not quite get your question, Mr. Chambers.

Mr. Chambers: I withdraw it.

Q. You did not make any contract at all for 1909, did you, of any kind?

A. No.

Q. What had happened between the making of this three-year contract, or substantially three years, in

1909, that caused you to reverse your policy of making a contract of some duration?

A. Why?

Q. What had happened that caused you to suddenly reverse your policy of making a three year contract?

A. Because the oil company would not make a contract at that time.

Q. Why was that?

A. I don't know.

The Master: That was in 1908?

11789 The Witness: 1909 and 1910.

The Master: I know, but this contract expired in 1908.

The Witness: This contract expired on the —in 1908; yes, sir. He is speaking now of 1909.

Mr. Chambers: No, I am speaking of the time before this contract expired.

The Master: I am talking about the time immediately preceding the expiration of this contract.

Mr. Chambers: Why you did not enter into negotiations for making another three-year contract.

11790 The Witness: Well, I tell you the oil company indicated they would not make a contract.

By the Master:

Q. Now, we are talking about 1908, Mr. Addicks.

A. I know, but we had oil for 1908. I am talking about making a contract for the following year.

Q. For the following year, yes, so that we are now talking about 1908, anticipating 1909 requirements.

A. Yes.

Q. Mr. Chambers wants to know why you did not make a contract for your requirements for the following year, and I understand your answer to be because the oil company would not make it?

A. Absolutely.

Q. Which oil company?

A. The oil companies we were dealing with.

Q. The Standard Oil Company?

A. Yes.

Q. Did you apply to any other oil company at that time?

A. No, it did not exist.

By Mr. Chambers:

Q. You decided it was useless to try?

A. Why, I would not know any other company to go to who would supply our requirements. 11792

Q. Will you say there was not any other company, then?

A. I never heard of it.

Q. I mean besides the Standard Oil Company, that could supply your requirements of oil?

A. I never heard of it.

Q. Then why did you apply to these other companies, the Tidewater Company and others, in 1905?

The Master: Were these letters in 1905?

The Witness: No, but—

Q. Why did you write in 1905, if there was no other company than this Standard Oil Company in the market to supply it? 11793

The Master: Was that correspondence as far back as 1905?

The Witness: No, sir.

The Master: When was it?

The Witness: 1914 was the first year.

The Master: What is the use asking a question about a contract nine years before that?

Mr. Chambers: I was mistaken, your Honor.

Q. Up to this time you had not tried to purchase oil from any other companies?

A. Not for the Consolidated Gas Company.

Q. Then you did not inquire whether there was any other company who could supply it?

A. I would like to have that question repeated.

The Master: We are talking about 1908 again.

Mr. Chambers: 1905.

The Witness: I would like to have the question.

Q. Then you did not inquire whether there were any other companies who could supply it?

A. I knew they could not.

Q. Then you did not inquire, if you knew it?

11795 A. No, I knew it. There was no such company.

Q. How did you know it, speaking of 1905?

A. How did I know it?

Q. Yes. I will make that more complete: How did you know that the Standard Oil Company was the only company in the United States who could supply your oil?

A. By actual personal experience.

Q. By business dealings?

A. No, by actual personal experience, not business dealings.

Q. What was it?

A. We endeavored to break away from the Stand-

11796 ard Oil Company on one other occasion and we made a contract with an oil company that was supposed to be a strong company. That oil company utterly failed to deliver their product; a buyer was hired to buy oil on the market and could not deliver the product, and the company had to build a entire new generating house and plant in order to use such oil as we could get. Now, I have been through that experience.

Q. What company was that?

A. That was the Bay State Gas Company of Boston, of which I was engineer.

Q. Then because of that one incident you did not

try to get it or inquire if any of the other companies could furnish it?

A. Inquire? I knew it. I did not have to inquire.

Q. The incident you have given me, is that the only basis of your conclusion that there was not any other company that could furnish it.

A. Why, no. My knowledge at that time, unquestionably.

Q. What was that knowledge?

A. That there was not any other company could supply it except the Standard Oil.

Q. You had to have some basis for that knowledge, 11798
Mr. Addicks.

A. I undoubtedly had to have the basis, the full basis at that time.

Q. What was it; can you tell us?

A. Why, that they could not do it.

Q. You must have known that by making some study or inquiry?

A. I must have at the time. As to size of companies, I knew what companies could supply oil and what companies could not supply oil at that time.

Q. You mean what companies could not supply all your needs?

A. Exactly so. 11799

Q. You could go out into the market and get three of them or so who could supply it?

A. All the companies combined could not supply the oil we needed.

The Master: At that time?

The Witness: At that time.

Q. Was that true in 1908?

By the Master:

Q. Could you tell us, Mr. Addicks, while we are on it, what the combined production was of the independent companies as compared with the Standard Oil Company in 1905, or is there any way of telling?

A. I have a great many reports, received from time to time, and I might be able to ascertain that.

Q. You have not any recollection at this particular moment, have you?

A. No. You understand that this is a quality of gas oil that we require.

Q. I understand that, but my mind was running back a ways and I was wondering just how extensive it was, the competition with the Standard Oil Company, as far back as fourteen years ago, compared with what it is today.

11801 A. The Standard Oil Company, of course, was not dissolved at that time.

Q. That was the Standard Oil Company of New Jersey?

A. The Standard Oil Company of New Jersey was not dissolved at that time.

Q. I mean as compared today with the independent companies, not those previously allied with the Standard Oil of New Jersey. I imagine the number of independent companies, in their production, must be very much larger today than it was in 1905?

A. I think that is true.

By Mr. Chambers:

11802 Q. Then according to what you have been telling me the Standard Oil Company had the matter so arranged that you had to deal with them; is that it?

A. I do not know what the Standard Oil Company of New Jersey had arranged at all.

Q. You had to take their oil, you had to buy oil from them at whatever price they dictated, if they were the only ones who could furnish it?

A. Well, we had to buy our oil from them.

Q. Do I correctly represent you when I say that you had no alternative but to buy your oil from the Standard at that time—1905, 1906, 1907 and 1908?

The Master: At the best price you could get?

A. I think that is true, sir, at the best price we could get.

Q. Just to digress a little bit, you no longer insist on that same gravity for oil now that you did then, do you?

The Master: Do you insist on that same standard now?

A. Is that the question?

The Master: That is the question, yes. 28 gravity for the summer and 34 gravity for the winter, I suppose you mean, Mr. Chambers? 11804

Mr. Chambers: Yes. He knows what I mean, I think.

The Master: But I want to know what you mean.

The Witness: Are you waiting for an answer?

The Master: Yes.

The Witness: There are two parties involved in insisting on something.

Q. You do not try to buy 34 gravity any more, do you?

A. Oh, yes, I have tried.

Q. You cannot get it?

A. No, we cannot get it. 11805

Q. You buy it around 25, isn't that it?

A. I cannot get the 34 gravity expressly provided in the contract today.

Q. And you are making 22 candle power?

A. Yes.

The Master: Do you get 28, Mr. Addicks?

The Witness: No, we get better than 28, which is the contract, and ordinarily we have higher than 28 today.

The Master: I mean do you specify 28 in your contracts?

The Witness: Not less than 28.

Q. When you say the Standard Oil Company of New Jersey was the only company in the United States that could furnish the quantity of oil you required, you do not quite mean it was the only company that could supply the needs of the Consolidated, do you?

A. I do not think I said anything about the Standard Oil Company of New Jersey. I said the Standard Oil Company.

Q. Then I have misunderstood what you said. It was the Standard Oil Company generally, then, that you had in mind as the only producer of oil that could

11807 supply you?

The Master: Let me get that distinction clearly in mind. What was the original Standard Oil Company that was dissolved? Was that the Standard Oil Company of Ohio or some other State?

The Witness: The Standard Oil Company of New Jersey was dissolved and they controlled certain other companies. The Standard Oil Company of New York was the one that we dealt with.

The Master: The Standard Oil Company of New York was, then, a subsidiary of the

11808 Standard Oil Company of New Jersey, was it not?

The Witness: Yes, sir.

Q. When you spoke of the Standard Oil Company being the only company that could furnish you oil, what did you have in mind; which one of the Standard Oil Companies, or did you have all of the Standard Oil Companies in mind?

A. I had the Standard Oil Company as a company in mind—the New Jersey Company controlling the New York Company, which supplied this district.

By the Master:

11809

Q. Then the question was right before. You have in mind the Standard Oil Company of New York?

A. Yes, but I only want to differentiate between the Standard Oil Company of New York and the Standard Oil Company of New Jersey, and that we made the contract with the New York Company.

Q. But you figured on the resources of the New Jersey Company, did you not?

A. Absolutely, yes.

Q. Then Mr. Chambers was correct in his statement when he referred to the Standard Oil Company of New Jersey and that technically your contract was 11810
made with the Standard Oil Company of New York?

A. Yes, but I thought he referred to the Standard Oil Company of New Jersey and I wanted to avoid confusion, because we have now a contract with the Standard Oil Company of New Jersey and not that of New York.

By Mr. Chambers:

Q. Mr. Addicks, when you had in mind that the Standard Oil Company—we will just say the Standard Oil Company—New Jersey, you said.

The Master: Just say Standard Oil Company.

A. Standard Oil Company, we are talking about.

Q. The Standard Oil Company was the only com- 11811
pany in the United States that could supply your wants or needs. You did not have in mind the Consolidated Gas Company, did you?

A. Yes.

Q. Did you not have in mind the allied companies, too?

A. Well, it was our organization, in the same way, the Consolidated Gas Company and those companies for which we buy oil and bought oil in the previous contracts.

Q. In other words, having to shoulder the respon-

sibility of buying oil for the allied companies, along with your own, that made the quantity required for all of you so large that then the Standard Oil Company was the only company could furnish it?

A. Well, it is very necessary for us to consider all, because we were getting gas from the others, and it was just as essential they should be supplied with certainty as that our company should be supplied with certainty. I cannot see any distinction.

Q. You notice that these other little companies here, separate companies, were able to buy and buy at a

11813 low figure?

Mr. Ransom: I object to the question. There is no such evidence in the case.

The Master: Objection overruled. The question is not as accurate as it might be, but I shall allow it on the cross. Repeat the question.

(The stenographer repeated the question.)

A. The amount of oil that they would use in a year would not be a flea bite to what we use in a day, hardly, most of them.

Q. The trouble is when you say "we" you mean the Consolidated and all these other companies?

A. Why, any of them.

11814 Mr. O'Brien: You do not mean 14th Street and 42nd Street, do you?

The Master: Do not answer that.

Mr. O'Brien: You are not going to hold us hard to the rule, your Honor.

The Master: I am going to hold you to the rule now.

Mr. O'Brien: I would like to shed a ray of light on this testimony.

Q. You, of course, do not mean the Consolidated Company at their own plants?

A. Why, the company that failed in the other case

was supplying the Bay State of Boston, which was not as large as the 99th Street plant at that time.

Q. Your experience up there was not since you have been at the Consolidated—that episode you spoke of?

A. Since I have been with the Consolidated?

Q. Yes.

A. No, prior.

Q. You never have had such an experience since you have been with the Consolidated?

A. Well, some companies in the City have. I personally have not, but the Queens Borough Company failed in its dealings with the other companies and 11816
had to go out and buy it elsewhere.

Q. Now, if it is possible for you to divorce these other companies in your mind from the Consolidated, the Consolidated itself does not use any more oil than some of these other companies that I spoke of, does it?

A. I don't understand your question.

Q. The Consolidated alone, excluding the Astoria and these other companies, does not use but a—it uses less oil than a number of these companies I mentioned; isn't that so?

The Master: Mr. Chambers, I think you either ought to confine yourself to 1905 or 1908, or some other period. 11817

Mr. Chambers: Well, I am all the time on 1905 now.

The Master: Then you get into the present tense in your questions. Now, you are talking about 1905, as to whether the Consolidated Company leaving aside the other allied companies, and you see the Astoria Company was not in existence then at all.

Mr. Chambers: Yes.

The Master: They used more or less oil then than some of these independent companies, to

which you referred and you are talking about 1905.

Mr. Chambers: It was in existence in 1908, was it, Mr. Addicks?

The Master: Wait a minute. Let us get 1905.

Mr. Chambers: Go ahead, Mr. Addicks.

The Master: Now, the question, as I understand it, Mr. Addicks, is whether in 1905 the Consolidated Gas Company, standing alone, and not considering its allied companies, used a large quantity of oil, as compared with, say, the Brook-

11819 lyn Borough of Queens Borough and some of the other gas companies.

The Witness: Oh, infinitely larger.

Q. How about the company over in New Jersey, the Public Service of New Jersey?

A. I don't think it existed at that time. I am not sure, but I do not think it did.

Q. Well, how about the Boston Consolidated Gas Company?

A. Well, that certainly did not.

Q. It did not?

A. No.

Q. Not as much?

11820 A. Oh, not near.

Q. Well, was the buying of oil for these other companies, allied companies, a handicap to you in that regard?

A. No, I do not think it was. Of course, you must realize that certainty of supply in this town is a very, very serious matter, and a matter of great responsibility to the man who is doing it.

Q. Yes, I realize that.

A. And no failure of supply would be excused for one minute by the public or by the authorities, and it would be laches on my part, in my judgment, to pur-

chase oil where I did not believe the supply would be furnished. I do not think of the subsidiaries, and they are all large companies, there isn't one that is much less than ten million a day, and that was infinitely larger than the Boston Company that I spoke of, which was not larger than six million.

Q. What effort did you make to find out the price of oil in 1908, before this contract I have been talking about, Exhibit 318, expired?

A. I had no occasion to make that, as there were no contracts to be made.

Q. When did you begin to find out whether they 11822
would make another three-year contract, or didn't you begin?

A. I didn't find any data to refresh my mind on that at all.

Q. Have you any letters at all passing between yourself and the Standard Oil Company?

A. I cannot find any.

Q. So it is from your memory, that you conclude that the Standard Oil Company would not make a contract for 1909?

A. Yes.

Q. Your memory alone?

A. Yes. 11823

Q. What do you base that upon? A. Upon my memory.

Q. Just your memory?

A. Yes, that is all.

Q. It is good about that, is it?

A. I beg your pardon.

Q. I mean your memory is good that that was the fact?

A. That is the fact, to the best of my memory.

Q. And so you in 1909 found yourself without any contract at all? A. That is true.

Q. What did you pay in 1909?

A. We paid three cents, I think, for 28 gravity, and 3 3/8 cents for 34 gravity.

Q. Wasn't it .0375 for 34 degree?

A. .0375?

Q. Yes.

A. .3375.

Q. Yes, instead of 38, you said?

A. Wouldn't that be 3/8?

Q. But you said three-eighths. Wasn't it 3 cents and three-quarters per gallon?

11825 A. No.

Q. It was not. What do you say it was?

A. I said it was—

Q. 3 3/8 cents?

A. I have given you from my memory here as to that. 28 gravity was 3 cents and 34 gravity was 3 3/8 cents.

Q. And that continued to December 31, 1910?

A. Yes.

Q. No contract during all that time?

A. No contract.

Q. Did you try from time to time during that period to make a contract?

11826 The Master: For the following year, or for that year?

Mr. Chambers: For those two years.

The Master: Well, now, don't you see, Mr. Chambers, that the question is not accurate? We are now talking about 1909, and you are asking him whether during that period he tried to make a contract. Do you mean for that current year, or for that period?

Q. During that period of from January 5, 1905, to December 31, 1910, did you try to make a contract?

A. I have nothing to—I don't remember?

Q. Have you any correspondence as to the price?

A. No, not that I remember.

Q. Who fixed these prices you have just given me?

A. Who fixed those prices?

Q. Yes, who fixed those prices for that period?

A. I think they billed us at that price.

Q. Then you just let them go ahead and bill it to you?

A. They billed it at that price of 3 and 3 3/8, and supplied us currently and would not make a contract. That is my memory on the situation.

Q. Did you inquire if any other companies had con- 11828
tracts?

A. No.

Q. Do you know whether they had contracts, or not, any other companies?

A. You mean any of these little companies you are talking about?

Q. Yes.

A. No, I did not interest myself in that.

Q. Including the Boston and New Jersey companies?

A. No, I do not recall making an inquiry. I say I do not recall making that—

Q. Were you supplied regularly with oil during this 11829
period?

A. All our requirements.

Q. With whom did you take up the matter, with the Standard Oil?

A. For the contract?

Q. No, there was no contract. For the prices or the quantity?

A. I would naturally take it up with the same party. I dealt with Mr. Higgins, probably.

Q. Why did he say they would not make a contract?

A. I don't recall that either.

Q. It didn't have anything to do with the pending suit, did it?

A. The suit was over, I think.

Q. It didn't have anything to do with any new suit you contemplated bringing, did it, or didn't you contemplate bringing any?

A. I never remember bringing a new suit at that time, or that it was even in contemplation.

Q. Has it not been in the minds of yourself and associates ever since the United States Supreme Court reversed the judgment of the lower court in the first
11831 suit, to bring an action?

Mr. Ransom: I object to the question. I do not think it is within the scope of cross-examination or that it bears on the question.

The Master: Mr. Chambers apparently thinks that it does. I will allow it.

Mr. Ransom: Exception.

A. I would like to have the question read.

(Question read by stenographer.)

Q. (Continuing.) To have declared unconstitutional the Act of 1906?

A. Myself and my associates? As I recall the decision of the United States Supreme Court, it was
11832 that a period of trial would be given, so I think it is irresistible that it must have been in somebody's mind that another suit must be brought.

Q. No, I am asking about yourself.

A. So far as I am concerned, I am perfectly free to say that I have always foreseen that the probabilities are that another suit had to be brought. That is my personal view.

Q. Did that go back as far as the time when the United States Supreme Court reversed the judgment in the first case?

A. That is hard to say. It is difficult to transfer

one's mind back to 1906, and say exactly what I was thinking in 1906.

The Master: Well, the Supreme Court reversed it in 1909.

The Wtiness: Well, even 1909; that is ten years ago, and that is a long time to project myself back, as to what I thought in 1909.

Q. But you did have in mind bringing a suit sometime or other?

Mr. Ransom: I object to the question.

The Master: I will sustain the objection. It is fully covered. 11834

Q. Then the company had nothing whatever to do with the fixing of the price of this gas oil that was supplied from January 5, 1909, to January 31, 1910, is that right?

A. That is right.

Q. You took it at whatever they billed it? A. We took it at the current rates.

Q. Did you have any way of persuading the Standard Oil to let you have it at a reasonable sum?

A. That was a reasonable sum, I think.

Q. Were they selling it to other gas companies?

A. I don't recall. That struck me as a reasonable sum. 11835

Q. Did you inquire of the Standard Oil Company if they were supplying gas oil to other gas companies, and if so at what amount?

A. I do not recall any such inquiry.

Q. Was there a market price for gas oil during this period?

A. I understand there was no market price for gas oil.

Q. Was there in the period that we have been talking about that preceded this. November 1, 1905, to 1908?

A. I don't know that there is a market price for oil; I have not seen it quoted.

Q. During that period?

A. I do not recall it.

Q. Then no one could find out what gas oil was quoted at during those two periods that we have been talking about, because there was no quotation?

A. I do not recall any reliable quotation.

Q. Do you recall any?

A. Not at that time.

Q. The price of gas oil then was not quoted?

11837 A. I do not recall any quotations.

Q. Now, in 1910, did you make any attempt to enter into a contract with any companies?

A. Sometime during 1910 I did.

Q. Did you inquire from any other companies, except the Standard Oil, if they could supply you with oil?

A. No, I don't think I did.

Q. Have you the 1910 contract?

A. Yes. (Contract produced.)

Q. With whom did you negotiate for the next written contract after this period of 1910?

A. So far as I remember—

11838 Q. Do you care to use any of these letters?

A. I always deal with Mr. Higgins. I am trying to think if there is anybody else. These letters here are addressed to Mr. Higgins. I cannot recall distinctly any name but Mr. Higgins. I may have seen some of the other officers of the company in regard to it.

Q. It was not the result of public bidding?

A. No.

Q. Was he willing then to enter into a written contract?

A. Yes, they were willing to enter into a written contract, but they were not willing originally to

enter into the contract which I finally succeeded in getting.

Q. Was he willing to enter into one for a term of years?

A. Well, I don't remember all of the negotiations with regard to that. I was accustomed to take a period of years in my calculations. In this case having in view the dissolution of the Standard Oil Company, I provided for two options, so that if in the case of the Standard Oil dissolution it resulted in an increase in the price of oil I could exercise the option. If, on the other hand, the price of oil decreased, I 11840
could arrange for a new contract.

Q. In other words, this was really a three-year contract?

A. No, it was a one-year contract with the privilege of renewal. Isn't that what it says there? That is my memory.

Q. Well, if you exercised the option to renew it if it became a three-year contract?

A. I had to renew, I think, on the first of Deecmber of any year.

Q. But you did renew?

A. According to the terms of the contract, I had to renew by December, I think, December 1st of any one 11841
year, and if I did not give notice—I have forgotten the exact terms of what resulted.

Q. You did give the notice?

A. We did give the notice. May I look at one point there?

Q. You gave the notice in each case?

A. We gave the notice in each case to renew.

Q. Before you made the contract did you inquire what other companies were paying for gas oil—I am referring to Exhibit 316?

A. Other companies in New York?

Q. Yes.

A. I do not recall asking about the companies in New York.

Q. You mean you do not recall whether you did or did not? A. I think I must have had some knowledge, but I cannot recall it, because, although I have forgotten some of the details, I know there are records and publications in Brown's Directory of the price of oil. I do not know however, of any contract of this character, fifty per cent of one kind of oil and fifty per cent of another.

11843 Q. You said there were no quotations for gas oil in 1909, and 1910, and the period prior to that. When was it that quotations began to be made?

A. I said I didn't know of any reliable quotations, and I don't know of them now.

The Master: At any period?

The Witness: At any period.

Q. You told Judge Ransom upon your direct-examination that you were familiar with the price of oil and the quotations?

A. That was not gas oil. I very carefully kept track on this chart, I did very carefully keep track of the quotations for crude oil in Pennsylvania, of Lima
11844 crude oil, and for Water White, which is an expert oil.

Q. So, when Judge Ransom asked you if you were familiar with the prices of oil, you did not mean gas oil?

A. Not necessarily, no.

Q. Well, not necessarily—you didn't mean it at all?

A. Well, I had reference to these prices here particularly. I thought that was what he was directing his inquiry to.

Q. Were you familiar with the price of oil in 1910 before you made this contract?

A. I had familiarity with prices at that time, undoubtedly.

Q. Did you know what these other companies were paying, for instance the Brooklyn Borough—did you know what they were paying? A. Well, I think I must have known that from the Public Service Commission's report.

The Master: No, he is talking about 1910?

The Witness: Yes, the Public Service Commission's report.

Mr. Ransom: These matters were published from year to year by the Commission?

The Witness: They were published by the Commission, but there was nothing about the 11846
character of the contract. That was not known until 1916.

Q. The prices they were paying you didn't know from year to year?

A. I think I must have known something of that kind.

Mr. O'Brien: You are not sure of that?

The Master: Don't answer that. Mr. O'Brien's time has not arrived yet.

Q. The Brooklyn Borough Gas Company were paying in August, 1908, $2.80 for gas oil, weren't they?

Mr. Ransom: I object to the statement of counsel. 11847

The Master: Objection sustained.

Mr. Ransom: I wish to ask the Referee to caution counsel against a repetition of these tactics. We are entirely willing to have the entire record with respect to the price paid by this company and the other companies as the same has been published through the years by the Commission for the First District, put in evidence here; but the effort of counsel to take a few piecemeal and inaccurate figures and create an impression which is contrary to the fact, I object to.

Mr. Chambers: I say respectfully that the Master may caution me, but I am going, in justice to the people I represent to put these questions.

The Master: What is the next question?

Mr. Chambers: Perhaps they may be put in better form by abler counsel, but I am going to put them as best I can.

The Master: Ask the next question.

Q. You say you did know about these prices?

A. When?

Q. That these other companies paid, in 1908, 1909
11849 and 1910?

A. Did I say I did know.

Q. I understood you to say you knew, but you didn't know the nature of the contract. Did you?

A. Which companies are you referring to?

Q. Brooklyn Borough Gas Company, Queens Borough Gas Company, Kings County Lighting Company; New York & Richmond Gas Company.

A. This is in 1909?

Q. 1910?

A. I don't think I can answer that affirmatively with distinct recollection.

Q. Did you examine the reports filed by these com-
11850 panies year by year to see what they were paying for gas oil?

A. I never had access to their reports.

Q. You knew they were a public record, didn't you?

A. I did not understand that they are public records. You can go and examine the report. I have seen the reports of the Commission, which is an abstract of those reports.

Q. Didn't they give the price of gas oil that these companies were paying?

A. I think they did frequently; I don't think they did in every year.

Q. Didn't you see them?

A. I remember examining one report and seeing it, but I do not remember the year. That is the reason I was hesitating.

Q. For instance here, the Brooklyn Borough Gas Company, according to the Public Service Commission records, were paying a certain price for gas oil—

Mr. Ransom: I object to the question. The document which counsel is showing to the witness is some exhibit which was a mere exhibit in some proceeding before the Commission. It is not a matter of Commission record, except in so far as 11852
some witness testified before the Commission and had an exhibit—

Mr. Chambers: If the Master pleases, we are wasting time, because I had not finished my question.

The Master: That is what I thought.

Mr. Ransom: The question was an inaccurate statement of fact.

Mr. Chambers: I could turn it into an accurate question before I completed it, if it was inaccurate, which I do not admit.

Mr. Ransom: You could not.

The Master: Suppose you repeat the question. 11853

Q. In 1911, before you renewed—

A. Is this the same question?

Q. Yes.

The Master: He has withdrawn the other.

Q. In 1911, before you renewed this option, Exhibit 317, or before you made Exhibit 317, did you learn from the Public Service Commission records what the Brooklyn Borough Gas Company were paying for gas? Limiting your answer to price only?

The Master: For gas oil, you mean?

Q. Gas oil?

Mr. Ransom: I object to the question. There was no Public Service Commission record in existence at that time which showed what any company was paying at that time, and nothing has been—that is a fact, and there has nothing been suggested here by counsel except in his question, to the contrary. There are Public Service Commission records year by year. Usually they are two to three years late in publication. I am very glad to have the entire record of the Public Service Commission reports of prices paid put into
11855 evidence.

A. Will you, Mr. Chambers, instead of referring to the exhibit number, which I do not remember, will you refer to the year?

Q. The 1911 contract?

A. Before I come to that, Judge Ransom made the statement—

Mr. Ransom: I have made an objection to the question.

The Master: Well, first I thought that Exhibit 317 was an earlier contract, now he refers to 317 as being the 1911 contract, is that correct?

11856 Mr. Chambers: Yes.

The Master: Let me see Exhibit 317.

Mr. Chambers: 1911 contract.

The Master: Now, the question is whether when you made this contract in 1911, the first of January, 1911, you had the 1911 report of the Public Service Commission showing the prices paid in 1910 by the other gas companies. Did you?

The Witness: I do not think it is possible that I had it, because the reports of 1911 would not come out for several months after 1911, and fur-

ther the statistical part comes out still further on, still later.

Q. I am speaking of the report of 1910 of this Brooklyn Borough Gas Company?

A. Well, 1910 would have absolutely no impression, would have no value whatever to me.

Q. You could figure out the price they paid, couldn't you, from the report?

A. I might know the year before, but that would have nothing to do with the price at the time I might be dealing.

Q. You felt that what they were paying in 1910 11858
had nothing to do with the contract that you were about to make for 1911?

A. No. I think the situation is—the price of oil depends on conditions at the time the contract is made. That is clearly shown in this present contract, where, before the expiration of this contract, the price of oil went up tremendously, and the Standard Oil Company asked us to sell them back some of the oil they have sold us, and not—

Mr. O'Brien: I move to have that stricken out as not responsive.

The Master: I will let it stand.

Mr. O'Brien: I think it would be well to cau- 11859
tion the witness not to answer except what he is asked.

The Master: He has not violated any rule of evidence.

Mr. O'Brien: Exception.

The Master: If it becomes necessary, I will caution him.

Q. Did you learn what the Kings County Lighting Company was paying for gas oil, as shown by any reports they have made to anybody?

Mr. Ransom: I object to that.

The Master: I am going to ask you, Mr. Chambers, to get your examination orderly with reference to dates. I can't allow it, if you jump around.

Mr. Chambers: I am speaking now all the while of Exhibit 317.

The Master: All right. Now, you did not say so in the questions, and I get very much confused as to what you are driving at.

Q. Well, before you made Exhibit 317, the contract of—

11861 The Master: The first of January, 1911.

Q. Did you learn what the Kings County Lighting Company were paying for gas oil?

Mr. Ransom: What they were paying when?

Mr. Chambers: Then or the year before.

The Master: That is enough.

A. There was nothing in the reports, and besides I know now at least, whether I knew then or not, the Kings County, as I recall it, is not buying gas oil.

Q. At that time?

A. They are buying a mixture, I think, of several kinds of oil, according to the reports to the commission, in 1916.

11862 Mr. O'Brien: What is that?

The Witness: Several different kinds of oil, and mixing it.

Mr. O'Brien: The Kings County people?

The Witness: Yes.

Mr. Chambers: They were not buying gas oil, they were buying—

Mr. O'Brien: I move to have the answer stricken out as not responsive, as involving a speculation of which the witness concedes he has no positive knowledge.

The Master: I will let it stand.

Mr. OfBrien: And I will state it is contrary to the fact, your Honor, from my knowledge of the Kings County case.

The Master: I will allow it, because when the fact appears, I will disregard what the witness says. I will disregard it any way, but I will let it stand.

Mr. O'Brien: When we build up his testimony, it will be nothing but conjecture and guesswork.

The Master: No, when his testimony is finished it will be analyzed down to exactly what 11864
he swore to under oath as of his own knowledge, and not what he has heard or guessed about.

Q. Before you exercised the option in this Exhibit 317 for 1912—

The Master: In other words, before the 1st of December, 1911.

Q. Yes. Did you find out what the New York & Richmond Gas Company were paying then for their gas oil?

A. By the report of the commission—

The Master: Mr. Chambers did not limit it to reports of the commission. Do you know in any form or from any source what the Kings 11865
County were paying for oil prior to December 1st, 1911, when you renewed this contract for 1912?

The Witness: I do not recall at this time, sir.

Q. What have you to say with reference to the Queens Borough Gas and Electric Company, as to whether you knew what they were paying for gas oil, in 1911, before you renewed the option, the first option, in this agreement, in this Exhibit 317, from any source?

A. I do not recall from any source having that figure.

Q. Do you consider the Brooklyn Company as one of the outside companies we are speaking about, or were speaking about a little while ago?

The Master: When; in 1911, 1910 or 1905?

Q. During any of the periods that I have asked?

A. No. I have been thinking of Brooklyn Union, as I thought you were referring to the smaller companies. You never mentioned Brooklyn Union, so far as I know, and I was referring to those companies you mentioned.

Q. You do not consider the Brooklyn Union then
11867 a small company?

A. I do not; a very large company.

Q. When does the next contract begin after the options in this Exhibit 317; or in other words, did the 1911 contract after you exercised the two options expire July 1, 1913?

A. No; they expired, I think, December 31st, did they not, according to the contract? You have it there?

The Master: I have it here.

The Witness: Oh, I beg pardon.

Q. How do you account for the fact that you paid 5.035 for gas oil on July 1, 1913, or isn't that the
11868 fact?

Mr. Chambers: I will withdraw that question.

Q. The next contract you entered into with the Standard Oil Company was when? Have you got that—after the 1913 option was exercised?

The Master: Was there a contract for 1914, Mr. Addicks?

The Witness: Yes, sir.

The Master: Let us have it.

The Witness: The contract was at five cents for the first contract.

Q. Let us have the contract.

(Witness produces paper.)

Mr. Chambers: That has not been offered in evidence, I take it?

The Master: Yes, it has.

Mr. Chambers: Yes, it is Exhibit 335.

Q. Did you negotiate with the same man?

A. No, sir.

Q. Mr. Higgins?

A. No, sir.

Q. With whom did you negotiate for this contract, Exhibit 335, for 1913, covering oil for 1914? 11870

A. I probably saw in connection with that contract Mr. T. J. Williams and probably Mr. Teagle.

Q. Was it the result of public bidding?

A. No.

Q. Did you inquire from any other companies whether they would furnish you the oil, or the amount of oil mentioned in this contract, Exhibit 335?

A. Inquiry was made from other companies during the period of 1914, but not for this particular contract.

Q. This covers a year, I see?

A. Yes.

Q. Why did you not make it for a longer period? 11871

A. I should say that the increase in the price of oil at this time immediately followed the period in which the oil company had attempted to buy back oil from us, and I would not naturally, I think, make a contract for a long period of time.

Q. That was your idea, not to do that?

A. I cannot recall all the details, or whether I considered it best for a long period or not. It was quite a long negotiation, and the form of contract was materially changed, and the companies would no longer make a contract based on 34 and 28 gravity oil.

Q. It was your idea not to make a long contract, was it, at this time?

A. Well, that was the consensus of opinion at the time, undoubtedly, not to make a long contract.

Q. Was it your opinion?

A. It must have been mine, or I would have made a long contract?

Q. It was not because the companies were unwilling to enter into a long contract, was it?

A. Well, I don't remember at this time.

Q. Something happened to this contract for a year.

11873 What was it? Was it modified?

A. It was modified as of July 1st, I think, 1914, although the contract modifying it was not finally agreed upon until probably August. But it was agreed to apply on July 1st.

Q. Why was it modified; what brought that about?

A. The change in the oil market, and a discussion on my part of the contract for the following year, 1915.

Q. The Standard Oil Company let you out of this contract?

A. No, they did not let me out of the contract.

Q. What would you call it?

11874 A. The Standard Oil Company at that time made a price to me of 2 1/2 cents a gallon for oil, and I took under consideration various periods of time and finally took a two year period at 2 1/2 cents and the unexpired amount of oil under this contract at 5 cents, and made a new contract with them for two years and five months on the basis of three cents. The amount of the contract based upon the 2 1/2 cents and the 5 was an excess of three cents, but I succeeded in getting a flat rate of 3 cents for the period.

Q. Have you the modifying contract?

A. I want to say that that three cents, of course,

both in 1914, the early contract that we discussed—when I say 5 cents it is 5 cents plus transportation, and when I say 3 cents I mean to be understood as saying it is 3 cents plus transportation.

Q. What power or force did you use with the Standard Oil Company to make or modify this existing contract, anything more than the new contract that you were going to make with them?

A. Oh, we discussed a contract for 1911.

The Master: 1911?

The Witness: 1915 and 1916, for the following years. I think it was my proposition to get 11876
the low price of oil immediately by averaging this oil and getting rid of the 5 cent rate as quickly as possible.

Q. Did you think you had made a bad bargain when you made this contract—

A. I did not.

Q. (Continued.) For 1914?

A. Strike out my answer. May I say I did not, to your completed question.

Q. It was not an advantageous contract?

A. Under the conditions existing at the time I made it I think it was a splendid contract.

Q. You seem to have had some way of persuading 11877
the Standard Oil Company to let you out of a written contract here, and make a new one; how did you do it?

A. Well, I did it by a process of effort for a long period of time—kept at them, driving the price down and driving the price down all I could.

Q. Have you the next contract which would modify this Exhibit 335?

A. I want to say that at this time a figure was obtained from an outside concern, for oil, for gas oil.

Mr. O'Brien: Was that period you were re-

ferring to in your second last answer the period 1914?

The Witness: That was the amended—

Mr. O'Brien: Where you were driving it down, was that 1914?

The Witness: I drove it down every year, Mr. O'Brien, as well as I could. I was answering that as a general proposition, to tell you how I did it.

Mr. O'Brien: But the time and the place; 1914, was it?

11879 The Witness: I am answering the question as to 1914. I was not answering the question as to other years.

Q. What Mr. O'Brien wants to know, is, you had a written contract for a year; right in the middle of it, in July, 1914, you start in to hammer away at the Standard Oil Company, to let you give up that contract?

A. No, the proposition was on the future supply of oil for other years, and I got them to cancel the contract as of this time, and write one which would average the oil for the years they would sell me at 2 1/2 cents; and then I got a further concession of the

11880 fraction between 3 and 3 1/10, I think it was, as an additional thing.

The Master: Have you got that modifying contract of 1914 here?

The Witness: Yes, sir.

Mr. Chambers: You are to be congratulated on making the Standard Oil give up a written contract and take one for less now.

The Master: There was an accompanying letter cancelling—

The Witness: Yes, but it was not of that date, it was of a later date.

The Master: It was in August.

The Witness: Yes, sir; that is my statement that appeared at the time, while the negotiations were going on (handing counsel paper).

Mr. O'Brien: Is that a new exhibit?

The Master: No, it is Exhibit 337, I am looking at.

Mr. Chambers: The modification is Exhibit 337?

The Master: Yes.

Mr. Chambers: After your Honor gets through with that I would like to ask a question or two, but I will go right on. 11882

Q. Did you consider the price set forth in this Exhibit 337 was a reasonable one—this modified contract?

The Master: This one that you made on July 1st, 1914.

A. The modified contract?

Q. Was a reasonable price?

A. Oh, I think so; yes, sir.

Q. Very low, was it not?

A. I think it was the lowest figure that I had been quoted.

Q. You did not expect to get oil much lower than that, did you, at that time or any other time? 11883

A. I did not expect to get oil lower than that at any other time?

Q. Yes.

A. It was a good low price.

Q. Was it not in your judgment about the bottom for gas oil?

A. Well, I do not remember ever getting oil cheaper than that.

Q. And wasn't that your opinion at that time?

A. I think it must have been.

Q. Why did you not make a ten year contract at that price?

A. Make a ten year contract?

Q. I will be modest—make a five year contract, then and there?

Mr. O'Brien: They made a ten year contract with Barrett, why not here?

A. I moved them up from six months to a year.

Q. Why did you not move them up to a five year contract, or ten, either one, you take your choice?

A. I think I went the limit with what they would
11885 give.

Q. Did you try to get them into a five year contract?

A. I think I inched from six months to a year or two years, or from a year to a year and a half or two years, I do not remember which. I think the proposition originally was not to exceed one year and I got two, to the best of my memory.

Q. You know something about the Boston Consolidated? Well, did you try to get them to give you a five year contract?

A. I tried to get them to give me as long as they would give me. I cannot say a five year contract.
11886 Two years in all they have given me.

Q. Have you any writings on that, passing between you? A. No, sir.

Q. As to the length or duration of the contract?

A. No, sir.

Q. Were you carrying on your negotiations with Williams or Higgins?

A. No, later on I carried on this negotiation with Mr. Bedford.

Mr. O'Brien: Direct with Mr. Bedford?

The Witness: Direct.

Q. You were able to persuade the Standard Oil

Company to modify a contract to their detriment; I cannot see why you could not persuade them to give you a five year or ten year contract.

Mr. Ransom: I object to the question.

The Master: Objection sustained.

Q. You are acquainted somewhat with the Boston Consolidated Gas Company?

A. In former years I was.

Q. Did you know that at this very same time they made a long term contract?

A. No.

Q. Do you know about the Public Service Company 11888
of New Jersey?

Mr. Ransom: I object to this line of questioning. Mr. Chambers is merely trying to get into the record on his own assertion assumptions of fact—

The Master: How far does he get?

Mr. Ransom: I do not think he gets very far.

The Master: Well, the witness says no, he does not know, and that ends it.

Mr. Ransom: That does not end the vice of his form of procedure.

The Master: It does not help him and does not help you. 11889

Mr. O'Brien: I was going to say as a matter of argument—

The Master: I do not ask for any argument.

Mr. O'Brien: You did by your inquiry.

The Master: No, I do not.

Mr. O'Brien: Your inquiry, how far does he get? This has bearing in other directions than merely the comparative statements in the record of the prices paid by different companies.

The Master: Let us have the next question.

Q. Did you learn that the Public Service Commis-

sion of New Jersey had at this very same time that you had the modification of contracts, or about that time, entered into a long term contract for the purchase of oil?

Mr. Ransom: I object to the question as objectionable in form.

The Master: The question is allowed.

A. I do not see how I could, no.

Q. The question is did you know?

A. No.

Q. The Public Service Company, I meant, of New

11891 Jersey.

A. I took your question to refer to them. I do not know that that is their strictly legal name.

Q. The next contract which would be 1917, have you got that?

(Witness produces paper.)

Q. Exhibit 290 appears to be the next contract that you made with the Standard Oil Company. Was that at public bidding or private negotiation?

A. I asked for bids that year.

Q. I beg pardon?

A. I asked for bids that year.

Q. Those letters you have already told us about,

11892 I take it?

A. Yes, sir.

The Master: What year is that, Mr. Chambers?

Mr. Chambers: That is 1917. The contract of 1916 for 1917.

Q. Why did you make a contract for only a year this time and not three years, as you did on other occasions?

A. It was war time and the price of oil was continually advancing during that period, as I recall.

Q. Was not that a good reason why you should make a long term contract?

A. Why, that would be a question of the length or duration of the war and its effect on oil.

Q. Was it your judgment that you could make a better one for a year?

A. I would not recommend any contract for longer than a year at that period.

Q. But you have not any doubt but that you could have had a longer contract, have you?

The Master: I do not think that that is going to help any in this case, Mr. Chambers, questions as to matters of judgment.

Mr. Chambers: It is pretty important— 11894

The Master: I don't think so.

Mr. Chambers: Well, if in 1914 he had made a ten year contract, as some of the other companies did—

The Master: Yes, but whether his judgment was good or bad is not the test. The test is as to what oil could have been bought for.

Mr. Chambers: I don't think you ought to hold the gas consumers—

Mr. O'Brien: May I make a statement about this matter? It is very important.

The Master: No, the next question.

Mr. O'Brien: I want to remove the doubt 11895 that is in your Honor's mind.

The Master: Wait until you get to your cross-examination, and see what doubts arise.

Q. Now, during the periods that I have been asking you about, when was the first time when there were quotations in regard to the price of gas oil?

The Master: That has been answered before. He says there are no reliable quotations on the price of gas oil, and never have been.

Q. Are there not any reliable quotations now? A. I don't think so.

Q. There were not in the fall of 1916 when you made Exhibit 290?

A. In the fall of 1916 for 1917 contracts? I do not recall any.

Q. Were there any reliable oil quotations in 1917?

A. You are changing from gas oil to oil.

Q. Gas oil, I am talking about gas oil all the time?

A. I don't recall any reliable quotations.

Q. So, if that is so, no one can find out what are the prevailing prices of oil?

The Master: Do you mean oil or gas oil?

11897 Mr. Chambers: Gas oil, always when I say oil I mean gas oil.

Q. Is that so, Mr. Addicks?

A. I think that the matter of gas oil depends upon the conditions at the time at which you make the contract.

Q. That is, no one can make themselves familiar with the price of gas oil because there are no quotations?

A. I do not recall any.

Q. Well, then that is so, that no one can acquire any peculiar knowledge about gas oil?

A. Well, except from time to time you may hear

11898 of some prices.

Q. Do you claim that you have any knowledge about the price of gas oil superior to that of the Master, for instance?

A. No—you are referring now entirely to quotations?

Q. I am referring to the prevailing prices of gas oil during 1916, 1917, 1918 and 1919?

A. I don't think you can determine the price of gas oil except by getting prices at a particular time when you want to make a contract.

Q. Now, during all this while you purchased oil

for these allied companies. This oil was used by the allied companies that you purchased covering these various contracts?

A. Yes. During all this time? No.

Q. Well, when did the allied companies begin to take oil that you purchased, what year was that?

A. The companies in the Manhattan, the Bronx and East River, were included in all these contracts during the entire period which we are discussing.

Q. Then what year did the Astoria Company and the other companies not in Manhattan begin?

A. I would like to correct that answer. In Long 11900
Island City, which would include both the East River and Astoria.

Q. When did you begin to buy oil for these other outside companies other than those you have mentioned?

A. I think it was 1914.

The Master: Mr. Chambers, may I interrupt for a question here?

By the Master:

Q. Mr. Addicks, is there any basis of relation between the price of crude oil and the price of gas oil?

A. My observation is that the price of crude oil has a relation to the price of gas oil that we have to pay. 11901

Q. It has a relation?

A. Yes.

Q. Now, I have not the slightest conception as to what crude oil sells for, but let us assume that it is two or three dollars a barrel of fifty gallons. Well, let us assume that crude oil is worth six cents a gallon, that that is the market for it. What would gas oil be worth on that basis?

A. I do not think that would have a direct relation, but I think in a general way that when the price of crude oil is advancing that you may expect an in-

crease in gas oil, and when the price of crude oil is decreasing you may expect a decrease in the price of gas oil.

Q. I think that is self-evident, but what I wanted to get was this—

A. The direct relation between the two?

Q. Yes.

A. There is no direct relation.

Q. I gathered from what you said before that there is taken from the crude oil gasoline, and some other matters, perhaps, and then what is left is available for

11903 gas oil?

A. Yes, as a general thing.

Q. That being so, isn't there some basis of calculating what ought to be a fair price for gas oil, based upon the market quotations for crude oil? Why ought there not be some relation with reference to price?

A. I think a disturbing element would come in, the increased efficiency, if I may call it that, of the production of gasoline from crude oil. I think that would have some effect on it, in decreasing probably the amount of gas oil available. That might have an effect, I don't know what the effect would be.

Q. That would be rather constant, wouldn't it?

11904 A. Why, I don't know—you know the use of gasoline has enormously increased. I don't know whether I called your attention to the fact, but there was a time in the gas business when we used nothing but the gasoline which the automobiles now use, we didn't use gas oil at all.

Q. Yes, but they reached a certain state of efficiency in extracting gasoline from the oil, didn't they?

A. I think they commenced to get this first additional amount of gasoline from petroleum about 1914.

Q. Take the year 1915, it is fairly well established as to the amount of gas oil that would be left in the crude oil after the gasoline is abstracted?

A. I cannot establish that. I think it would require a refiner to be able to make that statement as a matter of fact.

Q. What I had in my mind was this—perhaps I have already indicated—that the price of gas oil at any rate ought to bear some relation to the price of crude oil. In other words, if crude oil was up I can see where gas oil would be up, and if crude oil was down I can see where gas oil would be down, but it would seem to me that the price of crude oil must have some relation to the price of gas oil; in other words, if crude oil was selling for six cents, after having gotten a very large or a small quantity of gasoline from it, depending upon the efficiency of the distillation, whatever the process is, leaving a certain amount of gas oil, that gas oil would probably sell at two cents or three cents a gallon with a profit, to the gas company. That is what I am trying to get at. Have you gentlemen any information on that subject at all? 11906

Mr. O'Brien: No question about it.

The Witness: May I call attention to something?

The Master: Yes, on what I am trying to get at.

The Witness: I think it is, distinctly. In 1916—well, I will take some of these figures here, I have the figures accurately, on the 27th of July, 1916, Standard white refined bulk in New York was 5.25 per gallon. 11907

The Master: Is that crude?

The Witness: No, sir.

By Mr. O'Brien:

Q. Kerosene, isn't it?

A. Why, it is a type of illuminaing oil which would not be permitted to be burned here under our—

Q. Isn't it generally called kerosene?

A. Why, I would not call it—if you will let me finish my answer, what is the use of interrupting me?

Q. Don't get frightened?

A. Wait until I get through and I will tell you.

Q. That is a simple question.

A. I do not know it as kerosene.

Q. You don't know it as kerosene?

A. No, I don't know it as kerosene.

The Master: You see, there is the trouble, Mr. O'Brien.

Mr. O'Brien: I know, but your Honor's ques-
11909 tions are making this record. The questions you are asking are making this record.

The Master: I know, but you will have your cross-examination.

The Witness: I would have given you the equivalent of what you want if you had let me alone.

The Master: Don't get into a discussion, Mr. Addicks.

The Witness: I understand it would be used for illuminating purposes on the other side. Now, that might be equivalent to kerosene—

The Master: Standard white—

11910 Mr. O'Brien: You know you are up here as an expert on oil, Mr. Addicks?

The Master: Mr. O'Brien, I must ask you to stop, and I will not permit you to interrupt again with any question because it always leads to the same confusion.

The Witness: Pennsylvania crude at the wells was 6.19, and North Lima crude was 4.12.

Q. What year was that?

A. 1916, September 28th.

The Witness: Same year, September 28th. The Standard white was 4 1/2; Pennsylvania crude was 5.476; and Lima crude was 3.4.

The Master: Lima crude runs lower than the Standard, doesn't it?

The Witness: Yes, sir. And on September 29th the Standard white was 4.5; the Pennsylvania crude 5.714 and the North Lima crude 3.4.

The Master: Well, now, do I understand that the gas oil you get is taken either from the Pennsylvania or the Lima or the Standard white?

The Witness: No, I do not believe that is true.

The Master: What do you understand it comes from? 11912

The Witness: I do not know. It is undoubtedly from many fields, but I have no specific knowledge in regard to it. You will find in 1914, as I recall now, there was a good deal of discussion of Mexican crude, and I was fearful that we might get some gas oil from Mexican crude, and I was not certain in my mind as to the value of Mexican crude of a given gravity, and I put into the contract that it should be as useful for illuminating purposes, the gravity specified, as the previous year, so as to cover that very question. 11913

The Master: This is what I have been trying to get at, if it can be done. The Gas Company's prices are attacked. It is intimated that the Consolidated Company paid more for the oil than it should have paid. Now, I was trying to see, if I could, whether I could either prove or disprove, in my own mind, the reasonableness of the Standard Oil prices upon the basis of the percentage of the quoted price of crude oil, as compared with what they were charging this company for gas oil.

The Witness: I do not think I can answer that specifically, but I can say this, that our average price of oil, during the whole period, was less than the average price of all the companies which this gentleman has quoted, all in New York. Our average price of oil during the entire period is actually less than the price to those other companies which have been quoted.

Mr. O'Brien: I move to strike out the answer as not responsive, and calling for a conclusion.

The Master: I will grant that.

11915 Q. Now, take Exhibit 318, that is the first contract, November 1, 1905. Did the company get any rebate? A. Any what?

Q. Any rebate, any money or its equivalent on the price of the oil?

The Master: Can't you cover that all in one question?

Did the Consolidated Gas Company, Mr. Addicks, or any of its officers, to your knowledge, with reference to any of these contracts with the Standard Oil Company, or with reference to any bills paid to the Standard Oil Company, get any rebates or concessions of any kind or

11916 description, which have not appeared in evidence here, or which do not appear upon your books?

The Witness: What does that refer to?

Q. To rebates.

A. I have not grasped this question.

The Master: The intimation is made that you paid for instance, four cents for gas oil, when it should have been three, and that that cent came back to the company or somebody connected with the company in some form, on all the contracts that you made. Do you know anything about it?

The Witness: I never, within my period of time, do I know of such a thing, within the period that we are discussing. I came here in 1903 and made all those contracts, and I do not believe there has any rebate of any kind ever been paid to the Consolidated Gas Company at any time, that I know of.

The Master: Or to any of its officers?

The Witness: No.

The Master: Or its directors?

The Witness: No.

The Master: Or to any of its employees or 11918
any of its officers?

The Witness: Or any of its employees or any one else.

The Master: Well, you know you didn't get any?

The Witness: Absolutely none.

Q. Concerning these oil contracts, they made no rebate whatever to the Consolidated Company?

The Master: Haven't I covered that, Mr. Chambers?

Mr. Chambers: I want to ask the specific question, because here is a Brooklyn company getting a rebate of almost half a million in 11919
money.

The Witness: I know nothing about the Brooklyn Union, or whether there was a rebate or not, but the only thing which would approach what you state, is expressly stated in the contract, and that is not a rebate. We established our contract as of July 1st. The negotiations were progressing as of July 1st, and were not concluded until some little time afterwards, and we had agreed that it should be from July 1st. But that is not a rebate.

Q. Take Exhibit 318, November 1, 1905, Exhibit 317, January 1, 1911, Exhibit 335, July 1, 1913, Exhibit 337, July 1, 1914, and Exhibit 290, which is a contract of November, 1916, and then the oral arrangement between January 5, 1909, and December 31, 1910; did the Consolidated Company receive any discount, rebate or other consideration, whereby the price of gas oil, as fixed in those written agreements, and the oral arrangement which I have mentioned, from the Standard Oil Company, was less than the price as fixed in those exhibits?

11921 A. No.

Q. Did the allied companies ever make any arrangement with the Consolidated Gas Company, whereby they paid to the Consolidated Gas Company rebates of any kind?

The Master: That is not what you mean, I don't think. I think what Mr. Chambers means is, was that rebate handled through the allied companies, and not through the Consolidated?

The Witness: There isn't any such thing.

The Master: That is what you mean, is it, Mr. Chambers?

11922 Mr. Chambers: Well, that is partly it. That is near enough.

The Master: If I have not got it right, you ask your own question, but that is what I thought you had in mind when you asked it, that it might have been hidden through doing it through the allied companies.

The Witness: It was not because it did not exist.

Q. Is your principal occupation with the Consolidated Gas Company the negotiating of gas oil contracts?

A. No, not by any means.

Q. That is only one of the many—the multitude of duties that fall upon you, isn't it?

A. One of the many things that fall to me to take care of.

Q. Now, what other branches of the business do you take care of?

A. Well, I can state it in general terms, as acting secretary of the executive committee, and all matters going before them have to be taken to them by me, and I have to examine into all of the questions, the practical questions particularly, that are involved in them, and set forth the salient points to the executive committee; and I advise with the president, if the president is absent I am acting president of the company, which office I held for a number of years, until our new president was elected. I particularly during a certain period took particular interest in the increase of industrial gas, and after a certain period of time that was taken over into the commercial department, where it was thought it could be handled better than—in one central organization, from branch offices—than it was being handled at that time by me, as its proportions had grown very considerably. The matter of the jurisdiction of the building comes particularly under me.

11924

11925

The Master: You mean the office building?

The Witness: Yes, the large office building. And if it—if there is any change in connection with and extensive work of new buildings, for instance, like our 57th Street office, that was under my direction, and also the—what I termed the other day rather erroneously, the garage—it should have been the transportation department it includes more than merely the garage. I am constantly being consulted as an engineer by the president and others in the company.

Q. What do you do; what are your relations with the Standard Gas Company? Are you an officer of that company?

A. No, sir.

Q. You said that, for one thing, you buy oil for them?

A. Yes, sir, I do that.

Q. And what else do you do for that company? What do you personally do for them?

A. I think if a change of any importance involving the construction of work were to be undertaken,
11927 I would be very apt to be consulted about it.

Q. Well, you have been consulted by them in the past?

A. Well, I can recall particularly that I was consulted on one particular point within two years, or within a year, I think it was, by the Standard Company. That was, however, in connection with the War Department.

Q. Do you hold some office; have you some title in connection with the Standard Gas Company?

A. None whatever.

Q. Then have you covered all of your relations with the Standard—purchasing oil and consultation
11928 with them in regard to the erection of works?

A. Well, if—the matters of their holders or mains might possibly come to my attention. I am speaking about new construction. I would not do anything else.

Q. When you do work for the Standard, do you turn in some slips or something, giving the time you devote to that company?

A. No, sir.

Q. No account made of it?

A. No, sir.

Q. No record kept of it?

A. No, sir.

Q. Nowhere?

A. No, sir.

Q. Are you able to say how much time you devote to the affairs of the Standard?

A. No, sir.

Q. Now, the Astoria Light, Heat & Power Company, are you an officer of that company?

A. No, sir.

Q. What are your relations with that company?

A. All their construction work comes under my eye before it is performed. 11930

Q. And you buy the oil for them?

A. Yes.

Q. Anything else?

A. For the Astoria?

Q. Yes.

A. Oh, I am consulted very frequently by the engineers and by the chief engineer of the company about various things, from time to time.

Q. You devote quite a good deal of your time to that company, don't you?

A. Well, if any matters of construction come up, or any changes in the Astoria plant, it comes before me, and I am very careful to go into it in great detail. 11931

The Master: I don't think you quite answered Mr. Chambers' last question. You spend a good deal of time in behalf of the Astoria?

The Witness: I could not measure my time with respect to it. These matters that come before me from time to time, there is no routine matter that I handle. I do not have any routine matter in connection with the Astoria.

Q. Where is the main office of that company?

The Master: The Astoria Company?

Q. Yes.

A. 130 East 15th Street, I should call the main office.

Q. You mean in the same building where you have your office?

A. Yes.

Q. Do you attend their Board of Directors' meetings?

A. No, sir.

The Master: Are you on the board?

The Witness: No, sir. I was at one time,

11933 but I am not now.

The Master: Are you an officer?

The Witness: No, sir.

Q. Do you keep track of the time that you spend concerning the affairs of the Astoria Company?

A. No, sir.

Q. Does anybody keep track of your time spent with the company?

A. No, sir.

Q. Are you able to say how much of your time is devoted to the Astoria Company?

A. No, I would not be able to say.

Q. You would not want to venture an opinion

11934 as to how much time?

A. No.

Q. Now, I want to correct something. You erred, I think, in making an answer, and I want to set you right about it, when you spoke of buying oil for all the companies in Manhattan, up to a certain time. You did not exclude the New York Mutual, and you intended to, didn't you?

A. Absolutely. I excluded it before, and it did not occur to me.

Q. That is, the New York Mutual was excluded from that answer, through the entire period?

A. I have never bought a gallon of oil for the New York Mutual.

Q. Now, the New York Mutual, what are your relations with that company?

A. I have none.

The Master: Is that the Mutual Gas Light Company that was up at the corner of 15th Street and Irving Place?

The Witness: No; they used to be at the corner of 17th Street and Union Square, their office was, the works was on 13th Street.

The Master: Yes, that is right. 11936

Q. You do not render any services for that company at all?

The Master: Well, to get me clear, Mr. Addicks, that is not the New York Mutual that you are talking about, that Mutual Gas Light Company that was over there?

The Witness: The New York Mutual Gas Light Company, yes, sir.

The Master: That is the same one that was at 17th Street and Union Square?

The Witness: Yes, sir.

Q. You are not an officer of that company?

A. No, sir. 11937

Q. And you do not buy their oil?

A. No, sir.

Q. Why is that? The Consolidated controls 55 per cent of their stock. Why don't you buy for the Mutual?

A. I never was invited to by the president of the Mutual Company, to buy the oil. When I came here, the president of the Consolidated was buying all the oil for the other companies, not buying for the Mutual, and Mr. Galloway always bought his own oil.

Q. Is that a small company, would you say?

A. Why, compared with the Consolidated Company, yes, but it is not a small company. I have forgotten exactly how much their sales are.

Q. Now, the East River Gas Company of Long Island City, what are your relations with that company? First of all, are you an officer?

A. I am not.

Q. A director?

A. No, sir.

Q. What do you buy, or what do you do for that company?

11939 A. Nothing other than buy their oil, and I would be consulted in regard to plant extensions.

Q. Have you been so consulted in the past?

A. Oh, yes.

Q. Just those two things, is that all you do for that company?

A. Well, I have been consulted in their tunnel matters. Oh, you said the East River?

Q. East River Gas Company, Long Island City.

A. In regard to their tunnels, I would be consulted.

Q. Well, now, do you keep track of your time?

A. Their large mains.

11940 Q. You devote considerable time to that company, some time?

A. Well, I would not say considerable time. There have been times that I have devoted considerable time to it, in past years, but not latterly.

Q. You don't know how much of your time is devoted to that company, do you?

A. No, I do not.

Q. Do you keep any account of it?

A. None whatever.

Q. And no one else keeps any account of it?

A. No, sir.

Q. Could you apportion your time between the Consolidated and that company?

A. No, sir.

Q. The New Amsterdam Gas Company, what are your relations with that company?

A. The same as the East River.

Q. That is, you buy their oil and you are consulted from time to time by them?

A. The Ravenswood Works is located at East River, in the East River, Long Island City territory, and my relations are identical with the New Amsterdam as they would be with the East River. 11942

Q. Do you know how much of your time is devoted to the New Amsterdam Gas Company?

A. I think my answers would be identical to the answers to the East River.

Q. Now, the Westchester Lighting Company, what are your relations with that company?

A. I am a director of that company.

Q. And you attend the directors' meetings?

A. Yes.

Q. Have you been a director for some time?

A. Yes.

Q. And do you hold any other office with the company? 11943

A. No.

Q. What do you do for that company?

A. First of all I buy their oil.

Q. Then what else?

A. And I perform such functions with that company as I would with the other companies you have mentioned, and the engineer of that company consults me, to a larger extent, in details of the manufacture and other matters, than perhaps any other company.

Q. Do you know how much of your time you devote to the affairs of that company?

A. No, I could not approximate.

Q. You could not apportion it?

A. In all these questions—

Q. Well, I have to ask you?

A. Yes, but I might devote three hours to one subject, or one company, one day, and only five minutes or three minutes another day.

Q. And in a month?

A. I might devote in years past, perhaps, all my
11945 time might have been devoted to the construction of the building, the great Astoria plant, my mind might have been on that almost exclusively, but that is long ago.

Q. Just to return to that, did you have charge of the building of the Astoria plant?

A. I had a great deal to do in connection with that. Of course, the chief engineer built the plant. There was a portion of the time he was away in Europe for some months, and I had entire charge then.

Q. That covers what years?

A. That was, if I remember, I think it was before
11946 the period of the gas commission, some little time.

Q. You mean prior to 1905?

A. I should say it was 1903 and 1904, somewhere in there.

Q. Now, the Northern Union Gas Company, are you an officer or director of that company?

A. No, sir.

Q. What are your relations with that company?

A. I have very little—they have no plant that is running actively at this time, and I might be consulted in regard to certain mains of large size that they are running.

Q. And you buy their oil, do you?

A. They do not manufacture gas.

Q. How much of your time is devoted to the affairs of that company, could you say?

A. Well, I should say almost less than any other.

Q. But you are not able to tell me?

The Master: Would you say very little?

The Witness: Very little negligible.

Q. You do not keep track of the time that you spend with them?

The Master: He has already said, Mr. Chambers. 11948

Q. Now, the Central Union Gas Company, are you a director of that company?

A. No, sir.

The Master: An officer?

The Witness: No, sir.

Q. You buy their oil, do you?

A. Yes, sir.

Q. What else do you do for that company?

A. I should be consulted in regard to—in all probability—any material plant changes.

Q. Have you been so consulted in the past?

A. Not for a great many years. They have had practically no changes there for some little time. 11949

Q. Well, four or five years back? That is very indefinite, you see?

A. I should think it would be, probably.

Q. But before the five or six years back, you did have something to do with their construction?

A. Very little, because their construction was quite well along when I came to New York, and certain coal gas apparatus was put in prior to the installation of the Astoria apparatus.

Q. Could you tell how much of your time is devoted to the affairs of that company?

A. Very, very small.

Q. Now, the New York & Queens Gas Company, are you an officer or director of that company?

A. I am a director.

Q. And you buy their oil?

A. Yes.

Q. What else do you do for that company?

A. Well, my relations there are something—perhaps not the relations with Westchester, but my—I devote quite a little time to the New York & Queens, probably in connection with this high pressure main
11951 matter which—I mean of late years—which has been before the commission a long time. I have been consulted quite considerably in regard to that.

Q. Does that cover a period of years back?

A. No, I think it would be probably a course of six months, or something like that.

Q. I mean you have been doing that for that company?

A. I have been a director of that company for a number of years.

Q. And you have been buying their oil for a number of years?

A. And I have been buying their oil for a number
11952 of years.

Q. And you have given some time, for years back, haven't you, to the company?

A. Yes, but very little in the early time, except as a director and investigating any changes to their plants which would be material. I would undoubtedly be consulted in regard to them.

Q. Could you apportion the time you spent on the affairs of that company?

A. No, sir.

Q. Does anybody keep track of it?

A. No, sir.

Q. Now, the Peekskill Lighting & Railway Company?

A. I am a director of that company.

Q. Have you been for a number of years a director?

A. Yes, sir.

Q. You buy gas oil, do you, or don't they make gas?

A. Yes, sir.

Q. Do you buy their gas oil?

A. Yes, sir.

Q. And what else do you do? What are your relations with that company? 11954

A. Very similar to that of the Westchester Lighting Company. I have made answers in regard to the Westchester Lighting Company, and I think they would apply to that.

Q. That is to say, you can't apportion your time spent?

A. I could not apportion my time, and my relations are the same.

Q. The Northern Westchester Lighting Company?

A. The same reply.

Q. You are a director?

A. Yes, sir. 11955

Q. And the same answer in regard to that as to the Peekskill Lighting & Railway Company and the Westchester Lighting Company?

A. Yes, sir.

Q. The Edison Electric Illuminating Company. Are you a director of that company?

A. No.

Q. What are your relations to that company?

A. None.

Q. You have nothing to do with it?

A. No, sir.

Q. The United Electric?

A. I am a director of that company.

Q. What else do you do for that company?

A. Act as a director of the company. I am more or less familiar with their plant and station, but I do not act in the capacity that I do in the gas works.

Q. Substantially all of these companies I have spoken of are under the control of the Consolidated—most of them?

A. Yes, except the measure of control may differ.

11957 Q. And the Consolidated looks after their affairs to a certain extent, as you have indicated?

Mr. Ransom: I object to the question as incompetent in form.

The Master: I will allow it.

Mr. Ransom: You are dealing with a legal matter.

The Master: I will allow it and get the witness's view of it.

A. What is the question?

Q. The Consolidated looks after their affairs to a certain extent, as you have indicated—so far as you are concerned?

11958 A. Well, I am an officer of the Consolidated and to the extent I have given you I looked after their affairs.

Q. When you performed work and services for these companies that you have mentioned you did it because you are employed by the Consolidated Gas Company; is that right?

Mr. Ransom: I object to the question as incompetent.

The Master: I will allow it.

Mr. Ransom: Exception.

A. I would do it in the case of those companies

in which I am a director quite irrespective of the fact of my being an officer of the Consolidated Gas Company. Being an officer of the Consolidated would increase my attention to the affairs of the company. In other words, I would not only have the responsibility of a director, but I also as vice-president of the Consolidated Gas Company, controlling these other companies, have increased responsibility.

The Master: Take the companies in which you are not a director.

Q. Outside of being a director of these companies you do that as an employee, do you not—as an em- 11960
ployee of the Consolidated?

A. Yes, but I only wanted to distinguish in this way: As long as I am an officer of the Consolidated Gas Company I give attention to these companies just as readily if anything comes before my attention as I would to the Consolidated Gas Company.

Q. What I mean is, when you buy oil for these companies and render other services you do it because of your position with the Consolidated?

A. I think that is a fair statement.

Q. You make no charge to them, do you?

A. None whatever.

Q. Nor does the Consolidated make a charge for 11961
your services, as far as you know?

A. That is further. You asked me these questions in my particular time. Whether there is a portion of the charge for the executive officers I should say no, I do not think there is any such thing. I would have to, before answering affirmatively, look—

Q. (Interposing.) The services you rendered these companies—

A. May I finish my answer?

Q. Excuse me.

A. Before making an answer to that I would like to confirm the impression I have.

Q. The service you render these other companies is valuable service, is it not?

The Master: You think so, anyhow, don't you?

The Witness: Well, I give the best I have.

The Master: If you were not an officer of the Consolidated you would probably charge them a very substantial retainer for your services, would you not?

11963 The Witness: I certainly would.

Q. The men under you, do they render service, too, under your direction, to the companies?

The Master: Who do you mean under Mr. Addicks, Mr. Chambers?

Q. I mean the man in your immediate department. Have you a department that you call your department?

A. No, I cannot say I have a department I call my own.

The Master: Mr. Addicks has referred to engineers and different departments, and that has been covered in other directions.

11964 Q. Take your secretary; have you a secretary?

A. I have.

Q. What is your secretary's name?

A. Francis Snyder, Jr.

Q. Is it a man or a woman?

The Master: I never heard of a woman with a junior added to her name.

Mr. Chambers: Oh, I overlooked that. A male stenographer, I assume.

Q. Does he render service to these other companies allied with you?

A. Well, every communication I would make through him, why a certain part of his time would be taken probably in conveying that information.

Q. He goes with you sometimes, does he not, to visit these companies?

A. No, I do not think I have ever had him with me.

Q. He writes reports, though, that you make after your visit to the companies?

A. Well, he takes dictation or does something under my instruction.

Q. And then the stenographers—have you steno- 11966
graphers employed?

A. Yes.

Q. Stenographers that do your work?

A. Yes, we have three in my office.

Q. They render service to these companies, too, do they not?

The Master: In an indirect way.

A. Well, constructively.

The Master: Indirectly they do.

The Witness: They may do a little manual filing of a letter, which has to do with all those companies, and from that perhaps you can say they do some work for them. 11967

The Master: I suppose your next question is, is their expense apportioned? Is it, Mr. Chambers?

Mr. Chambers: Yes.

Q. Is their expense apportioned?

A. No, sir.

Q. Is the expense of your stenographer apportioned?

A. No, sir.

Mr. Ransom: You have an office boy, too?

The Witness: Well, the office boy is one of the three. He really is used as a semi-clerk, as well.

Q. You said before you made the 1917 contract, the contract which is dated November 13, 1916, and is Exhibit 290, that you obtained the best price you could get. That is right, is it not?

A. Well, that is right, yes.

Q. You sent out only three letters to the companies you have named?

The Master: He so testified.

11969 Q. Why didn't you write to any of the other companies? For instance, why didn't you write to the Mexican Petroleum Company?

A. Well, I would expect to get Mexican oil.

Q. Is not the oil of the Mexican Petroleum Company the best gas oil there is now on the market, or one of the best, or don't you agree with that?

A. I have not tried. This was during war time, wasn't it?

Q. This was in the fall of 1916. What I am trying to find out is why you pick out these three particular companies?

11970 The Master: Now, you are asking him why he did not pick out the Mexican Petroleum Company. That is your question.

Mr. Chambers: Yes, and I now am asking him particularly about the Mexican Petroleum Company.

A. I do not recall that I considered the Mexican Petroleum Company.

Q. Was it an oversight, or did you think of them and put them in the discard?

A. Well, I think that anything—any Mexican company like getting oil from Mexico—of course I sup-

pose all the oil companies do more or less, but I did not do it anyway.

By the Master:

Q. Were you afraid of the possibility of an interrupted service from Mexico?

A. I have been afraid of Mexican oil more or less.

Q. For that reason or some other reason?

A. Well, I have had a—this is the year 1917?

Q. 1916.

A. I rather think the fact of putting that provision in with regard to the efficiency of the oil for 11972
enriching purposes. I had thought a good deal about Mexican oil and in a later period I got a sample of the oil itself.

Q. Why didn't you write to the Oklahoma Company?

A. They were too far away, I should say. We could not get oil by anything but barges.

Q. Why didn't you write to the California Petroleum Company?

A. That didn't occur to me.

Q. Why did you pick out these three companies and not any of the others?

A. I cannot answer specifically now as a definite 11973
statement, but I am inclined to think that in 1916 these particular companies were furnishing oil in this district according to the public—

Q. Did you know about the Prudential Oil Company?

A. Yes, I knew about that.

Q. One of your directors was a director of that company? Why didn't you write them? I am speaking of Nicholas Brady.

A. Well, I didn't think we would be able to get any oil from them.

Q. But you didn't write to them?

A. No, I did not.

Q. May I see the letters you did write on that occasion? You wrote to the Sun Company?

A. Yes, the Sun Company, the Texas Company and the Tidewater.

Q. Let me see the form of letter?

(Witness produces letters.)

Q. Now, this is Exhibit 292, the form of the letter. This appears to be the one to the Sun Company. In these letters that you were writing, like
11975 Exhibit 292, you are only asking to make a contract for during a year.

A. May I see it?

Q. Weren't you? There is no suggestion there of asking them to furnish gas oil for a longer period than a year?

A. Well, that is not significant.

The Master: That is the question, Mr. Addicks.

The Witness: Yes, it is simply the price per gallon for 1917 delivery

Q. That letter does not indicate that you want any specific quantity, does it?

11976 A. No, because—

Q. It does not really say you want any? It is merely an inquiry?

A. Yes, because if I gave a specific quantity, it would drive them out; I could not get an answer.

Q. Why didn't you say you were in the market for so much oil and would they enter into a contract with you?

A. I wrote that letter, I thought, to bring the most responsive reply. I did it in three different ways.

The Master: That is, you did it a different way in each of three years?

A. A different way in each of three years, looking for a responsive reply.

Q. So far as you have testified here, you never bought a gallon of oil from any corporation or person except the Standard Oil Company?

A. No, I testified quite the contrary, that I have.

Q. What other companies did you ever buy any oil from?

A. In Boston—

Q. I mean, this Consolidated Gas Company has never purchased a gallon of oil for itself or subsidiary companies, except from the Standard Oil Company? 11978

A. I think that is right.

The Master: Through you?

The Witness: Through me, yes, sir.

The Master: You see that is purely argumentative, Mr. Chambers.

Q. Now, the next time you wrote, you wrote to the Gulf Refining Company? You wrote four companies instead of three. Why didn't you write the Gulf Refining Company the first time?

A. I don't know. There was one company failed to deliver, one of the small companies, in 1908, and they had to buy outside. 11979

The Master: You don't remember whether it was the Gulf Refining Company or not?

The Witness: I do remember, but I would rather not have it on the record.

Q. Now, you have given here a great mass of figures for the oil that was received by the Consolidated Gas Company during these years we have been talking about, haven't you?

A. Yes, sir.

Q. Only from 1913 on; is that right? That seems to be right?

11980 Walter R. Addicks, Cross.

A. No, that is not right. The detail figures are from 1913 on, but the total figures that would appear in the summation of the detail figures go back to 1906.

The Master: But the details for the period back of 1913 were not in this?

The Witness: No, sir.

Q. Take the oil as set forth in Exhibit 320 for the year 1913?

A. Yes, sir.

Q. You have given in one column here the gallons
11981 received. Where was that oil measured?

A. That was measured at the refineries.

Q. That is at Bayonne?

A. According to the contract.

Q. What was it put in, a tank car?

A. No, all in barges.

Q. In barges?

A. Yes.

Q. That is what I meant, in a barge. That is to say, the Standard Oil Company delivered it in these barges, or on these barges, put it on a barge?

A. Yes, sir.

Q. That is a Standard Oil barge?

11982 A. Yes, sir.

Q. And they measured it?

A. They measured it—no, they did not measure it. A Produce Exchange inspector measured it.

Q. You didn't measure it over there at the refinery?

A. No.

Q. All you know about it is that the Produce Exchange man measures it?

A. They measure it and furnish a certificate for every barge, which is sent to me, or a copy of it.

Q. He is not in your employ?

A. No.

Q. Is this the measurement that was made over at Bayonne?

A. According to the certificate of that inspection.

Q. Then those barges are hauled over at the dock nearest these stations for delivery at the plant?

A. Yes, sir.

Q. In the case of the 42nd Street station, where is the point of delivery there from the barge to the dock?

A. It is on the end of the dock; I do not recall the exact spot. 11984

Q. How is that delivered from the barge?

A. It is delivered into tanks.

Q. Who measures it there?

A. The superintendent of the station takes a measurement before and after receiving the oil.

Q. How does he measure it, do you know?

A. Well, at 42nd Street, that has been shut down and hasn't got much oil in the last year, perhaps a little last year.

Q. Well, take the 21st Street station. The superintendent of the 21st Street stations measures the oil as it comes in on the barge?

A. The superintendent of the station has some one 11985
to measure the oil that comes in on the barge, and that particular station is equipped with a large 500,000 gallon tank, and a number of smaller tanks which are underground.

Q. Are you acquainted with that method of measuring?

A. Yes.

Q. It very often occurs that the measurement of the superintendent does not always check, or most always does not check with the measurements said to have been made over at Bayonne, isn't that so?

A. Well, I think you have to take that in the entire period.

Q. You state it, if I made it too rough. They don't agree, they don't check with the measurements, or are you not acquainted with that?

A. Oh, yes, I am quite acquainted.

Q. Well, tell the Master about that?

A. That barge measurement is made by the superintendent or his representatives, and that is endorsed on the back of the certificate which comes from the superintendent of that barge, and you will find that
11987 on each voucher together with the certificate of the Produce Exchange inspector.

By the Master:

Q. Mr. Chambers' inquiry is as to whether there is not a variance between your superintendent's report and the Produce Exchange inspector's report at times?

A. Yes.

Q. Is that often?

A. I should say it is quite often.

Q. How do you account for it?

A. I should say the temperature of the oil.

Q. Evaporation?
11988

A. No, just change in temperature.

Q. What does that mean?

A. Well, every twenty or thirty degrees will make a difference of one per cent in the oil.

Q. Does it congeal?

A. It simply forms a larger quantity of oil of the same volume, and increases the specific gravity undoubtedly.

By Mr. Chambers:

Q. Couldn't it be accounted for by leakage for one thing?

A. No, there is very little.

Q. The barges leak?

A. That has happened, and balances have been made based on that very thing.

Q. Couldn't it be accounted for by the fact that somebody used it over at Bayonne? Isn't it a fact that that happens sometimes?

A. I never heard of that happening.

Q. But there is a shortage oftentimes?

A. Well, there is not a shortage—

The Master: A variance in measurement?

The Witness: I can tell you exactly what the difference is for 1918 if you would like me to give it to you. 11990

Q. In the year 1918, you took the measurements made at Bayonne for your tables, didn't you?

A. It is not here, but I also had the figures from the same vouchers of the amount received by the Consolidated Gas Company during the same period.

Q. Well, these figures on Exhibit 319 are the Bayonne figures?

A. That is right; they are the purchased oil.

Q. Why didn't you use the corrected figures made by the superintendent at the plants?

A. These are the figures that we paid for. 11991

Q. Well, under your contract you say that you were not to pay for the oil except delivered at the dock. You didn't agree to pay for any oil as measured over there at Bayonne, did you?

A. We agreed to pay for it—

Mr. Chambers: I will strike that out. Perhaps the contract is the best evidence.

Q. How did you have to pay for the oil, as measured at Bayonne?

A. As certified by this inspector.

Q. But you don't pay for it as checked by your superintendent at the plant?

A. No, unless we should find what was clearly an error, and in that case we would make an inquiry and have an investigation made as to whether such error had occurred.

Q. Do you find such errors?

A. It has happened.

Q. Have you taken that into consideration in these figures for 1913?

A. These would be the correct figures.

Q. Corrected figures?

A. If any such error had developed these figures
11993 would show it.

Q. Did you ever get more than the inspector measured over at Bayonne?

A. Oh, yes.

Q. What did you do with it?

A. It is charged in here, carried simply as the inspector's figures. For 1918, I have the net here that we received—

Q. Excuse me for interrupting.

The Master: Let us get that.

Mr. Chambers: He doesn't know anything about that.

11994 The Master: Let us get what he says, first.

The Witness (continuing): 33,291,302, as shown on the statement the exhibit number of which I do not know.

Mr. Ransom: Exhibit 326.

Mr. Chambers: 319.

The Witness (continuing): The receipts of oil as reported by the superintendent on the same vouchers aggregated 33,452,271, showing a receipt of 160,969 more gallons than the certificate.

By Mr. Ransom:

Q. More than you paid for?

A. More than we paid for.

By Mr. Chambers:

Q. Now, the gallons received on this exhibit here makes no mention of that that I can see?

A. No.

Q. It has got just what the man measured over at Bayonne, who was not in your employ?

A. Yes.

Mr. Ransom: This does not pretend to be a statement of anything except what we paid for.

Mr. Chambers: Well, the Court wants to 11996
know what you used.

The Witness: We didn't pay for too much.

Q. This exhibit here does not show the true transactions, because this is just what you paid for and not what you used, isn't it, Mr. Addicks?

Mr. Ransom: I object to the question. The witness has explained that owing to variations in temperature it measures more gallons at the temperature at which it comes over to the works.

The Master: I think that is argumentative, Mr. Chambers. I will sustain the objection.

Mr. Chambers: Well, it is more than that, 11997
it is very important.

The Master: Yes, it is important as argument.

Mr. Ransom: Are you willing to credit the expenses of this company with the full number of gallons received at the temperature at the works?

The Master: Next question, Mr. Chambers.

Mr. Chambers: The consumers I represent want you to prove it in a correct way, what oil you got and what you received.

Q. Now, of course you haven't any personal knowledge of how many gallons are received at the plant?

A. My individual knowledge?

Q. Yes.

A. No.

Q. You don't measure it?

A. No, I don't measure it, but I know how it is measured, and I have seen it measured.

Q. Not all the while?

A. No. I have seen it and know the method.

Q. How is it measured?

11999 A. Well, it is measured in two ways. The large tank has a permanent scale on it, and it has glass tubes very similar to tubes you would see on a boiler for indicating the level of the water, the boiler in your cellar if you have a steam boiler. It gives the level of the oil, and there is a scale. As a matter of fact they read that off from the scale in feet in inches, and they put a little thing like a T-square right across, and indicate the depth of the water in the gauge glass, from which they are able to calculate the amount of oil in the tank by means of a chart or table.

Q. How is it taken out of the barge?

12000 A. It is pumped out of the barge by steam which we furnish to pumps on the Standard Oil barge ordinarily.

Q. Now, the accuracy with which that oil would be measured would depend on the personality of the persons who are reading the gauge, wouldn't it?

A. Well, the answer must be yes, but it is a very simple operation.

Q. If you made a mistake then there would be a mistake?

A. Well, anyone measuring the length of this table might make a mistake, of course.

12001

Q. It depends upon the accuracy of the person doing it, as to whether it is correct?

A. Of course there is a personal error in every one.

Q. You cannot say whether the measurement made by the aforesaid person who was measuring it was correct or not, any more than I can, can you?

A. No, I am not there. I had not finished. You asked me one part of it. I told you that there were tanks underground, and there it is measured by a rod, a long rod, about 1 1/2 inches square, and at some of the works every inch is indicated by a small brass rail.

12002

Q. Why do you measure that at all, the oil that you receive at the dock?

A. Why, as a matter of reasonable business sense.

Q. You do not use it as a basis of payment?

A. We would use it if we were to develop any glaring error.

Q. But it would be only a glaring error that would cause you to do anything about it?

A. If the plant superintendent would know what is customary particularly when the barges are the same barges, they would know very closely the capacity of those barges, and there is a certain amount of check in that, but errors have happened, and the errors having happened, why, it would seem to me only business sense to continually keep up the measurements, notwithstanding the fact that we have to pay by these measurements. The Standard Oil Company would not insist on payment if it could be shown that there was an error on the part of the inspector.

12003

Q. The man who measnres that with a rod, that depends on his personality, doesn't it?

A. Yes.

12004 Walter R. Addicks, Cross.

Q. That is, the accuracy of his measurement depends on his ability?

The Master: All these measurement propositions, Mr. Chambers, have the human element.

Q. Where did you get the records from that were made by this man you have mentioned, who measures the oil, the Produce Exchange man, is it?

A. These records?

Q. You have handed the Court here a great long statement which you say now is based upon somebody's measurements. Was he the Produce Exchange

12005 man?

A. The bills are based upon the Produce Exchange inspector.

Q. Where did you get those from, those inspectors' reports, who was the inspector?

A. They are sent to the Standard Oil Company, one comes to my office in a separate envelope, every shipment comes to my office, and it is similar to the one the Master is looking at now. The bill has got to agree with that, and the contract provides for it.

Q. You don't know whether his measurements are right or not?

12006 A. No, only insofar as we take a check, and I say in 1918 we were on the right side anyway.

The Master: Now, in order to get this record complete, Mr. Addicks—

The Witness: Mr. Master, I do not mean to say that when that record shows 160,000 more gallons of oil, I do not mean to say that that does not represent the other amount at the proper temperature.

The Master: I have here in my hand a voucher handed to me by Judge Ransom, Standard Oil Company voucher, No. 15,315, paid No-

vember 14, 1916, so marked, to which is attached a form of inspector's report headed, "Charles Martin & Company, Inspectors of Petroleum, authorized and appointed by the New York Produce Exchange," and with further data on it. Is that the inspector's report that you referred to?

The Witness: Yes, sir.

The Master: Mark that in evidence.

Mr. O'Brien: I object to that, your Honor.

Mr. Chambers: I object to it.

The Master: Objection overruled. 12008

Mr. O'Brien: Are you going to allow this as evidence, a certificate signed by somebody from the Produce Exchange—

The Master: I am going to take that and spread it on the record as the certificate on which this witness said he relied.

Mr. Chambers: We ought to have the right to cross-examine that man.

Mr. O'Brien: I respectfully submit that we are going deeper—

The Master: The Master has directed that that form be spread upon the record in amplification of the witness's statement and answers to questions put to him by Mr. Chambers as to this certificate, and as to which he has been testifying, so that the Court may have before it the certificate and the name of the persons called for by Mr. Chambers. If there is any objection, I will hear it. 12009

Mr. Chambers: I want to object to it upon the ground that this piece of evidence is very vitally important. We brought out the fact that this witness knows nothing personally about the measurement of the gas oil set forth in these

various exhibits, being Exhibits 330, *et seq.*, and this was brought out for the purpose of showing that it was based upon records made by some person, based upon measurements made by some person who has not been called in court, and whom we have not had an opportunity to cross-examine. We submit that we should have that right. On the further ground that it is hearsay and secondary evidence.

The Master: Have you any further grounds, Mr. O'Brien?

12011 Mr. O'Brien: I object to it as incompetent, irrelevant and immaterial, for the reason that the Produce Exchange are not parties to this suit—

The Master: No, but they are parties to this contract. The contract provides that the quantities and payments are to be made on the basis of the number of gallons certified by a properly authorized Produce Exchange inspector.

Mr. O'Brien: We are dealing with the question of how many gallons were delivered.

The Master: We are dealing with the question

12012 of what bills they pay.

Mr. O'Brien: Why, your Honor, if it was a county clerk's certificate, you would not admit it unless the county clerk came here and testified to it. The fact Martin, or somebody, goes over to Bayonne and puts his name on a paper, and then he is not produced here, only shows why Exhibit 319 should not have been received.

The Master: If it was a county clerk's certificate I would receive it, and unless you have some better objections than you have already made, I am going to receive this.

Mr. O'Brien: My further objection is that he has not been produced in court, and that we have not had a chance to cross-examine him, and that the witness has never met him.

The Court: Mr. Chambers has said that.

Mr. O'Brien: Your Honor has interrupted my train of mind by these interjections.

The Master: I would not have to interject if you gave me something new and not what Mr. Chambers has said before.

Mr. O'Brien: I am simply alarmed at this procedure, the matter of taking that certificate— 12014
that is, if your Honor is going to accept that as proof. If it is simply a form showing what the witness had in his mind when he said a certificate of the Produce Exchange, then the objection would not have so many—

The Master: I have spread on the record what the purpose is. I have a form here that I am going to spread on the record and get it there.

Mr. O'Brien: Then I close with my objections as stated.

The Master: Objections overruled. The paper is marked in evidence as an exhibit.

Marked Complainant's Exhibit No. 338. 12015

The Master: Now, you want to make a motion to strike out Exhibits 319 and 320?

Mr. O'Brien: Yes, Exhibits 319, 320, 321, 322, 323, 324, 325 and 326.

The Master: The motion is denied and exception allowed.

Mr. O'Brien: On the ground that they should be eliminated from the record, and all testimony relating to the same, because the witness has based his tabulation almost entirely upon the certificate of some person not a party to this suit

and not yet produced, and that he has not based his report upon the most vital thing in connection with the whole matter and that is the reports of individuals employed by the company who actually measured the oil. Further, that there is no proof that the oil in question has been used by the complainant company; on the further ground that the records and reports made at the time, the books and papers of original entry as to the measurements of gas oil made when it was actually delivered, have not
12018 been introduced in evidence.

The Master: Have you any objection to those being introduced in evidence—those receipts and those records?

Mr. O'Brien: Have I any objection to them?

The Master: Yes.

Mr. O'Brien: That will appear when they are produced.

The Master: Motion denied.

Mr. O'Brien: I say, your Honor, what I have said many times before in regard to this method of proof—that the witnesses should be produced
12018 here, that they give us a chance to cross-examine them to determine how reliable they are in the matter of measuring up the oil that is actually received.

The Master: The motion is denied. Exception.

By Mr. Chambers:

Q. You do not know anything about how this measurement is made over in Bayonne personally—that is, whether it is corrected as to temperature or not?

A. The certificate indicates that clearly.

Q. It is corrected as to temperature?

A. It is corrected as to temperature at two different times of the year.

Q. Outside of the certificate; I am not interested in the certificate. You do not know whether it is corrected as to temperature, do you, of your own knowledge?

A. The certificate so states.

Q. Well, outside of that?

A. It gives the temperature of the oil and gives the corrections.

Q. I am trying to find out your personal knowledge about it? 12020

A. No, I have no personal knowledge about it.

Q. Take Exhibit 326, you have all the years back of 1913 on it?

The Master: I do not think Mr. Addicks has answered your questions that I should like to have answered.

By the Master:

Q. Mr. Chambers asked you, Mr. Addicks, if you were familiar with the methods pursued by this Produce Exchange inspector in measuring the oil over in Bayonne.

A. Only insofar as his certificate discloses it.

Q. You have never seen him do any measuring, 12021 have you?

A. No, I have not.

Q. You are only assuming from the form of the certificate that he takes the measurement from the scale shown on some tanks, from which the oil is taken over at the works of the Standard Oil?

A. That is correct, sir.

Q. In other words, Mr. Martin or whoever the inspector is, reports that when they started to take out from the tank it had a certain scale measurement and then when they took it out it had a cer-

tain scale measurement, which shows what it was that was taken out?

A. I think they have the same method up at 21st Street, the same as in Bayonne, only we reverse it.

Q. But you do not know about that?

A. No, I have no personal knowledge.

By Mr. Chambers:

Q. The 1906 quantity set forth on this Exhibit 326, Mr. Addicks, was obtained from where?

A. I had an accounting department furnish me the figures and after having received the figures I had
12023 them checked by the same man who aided me in checking these, where I had anybody check them. In some cases I checked them individually without any aid.

Q. Did you check that 1906 figure?

A. No, I personally did not check it.

Q. Then you cannot say of your own knowledge that it is correct?

A. No.

Q. Because you depend on these other men?

A. To that extent.

Q. How about 1907?

A. The same thing is true of all the years up to and including 1912. It was done under my direc-
12024 tion, the checking of them.

Q. After that, from 1913 on to 1919, eight months, the quantity purchased I take it should be the same as on these other exhibits?

A. That is quite correct.

The Master: What other exhibits?

The Witness: I can certify they are because I have personally checked them.

The Master: I know what you mean, from 319 up.

Q. Take Exhibit 319, the amount there in gallons received should be the same as the quantity shown on this Exhibit 326, should it not?

The Master: Of 1915?

Mr. Chambers: Yes.

The Master: What does Exhibit 319 show for 1913?

Mr. Chambers: It was 1918.

The Master: 1918?

Mr. Chambers: Yes, it is just the same. It shows the same.

The Master: What is the use asking the question then?

Q. So all of this tabulation on Exhibit 326, from 1913 down to 1919, was obtained by you from the 12026
gallons received as indicated by the Produce Exchange certificates?

A. That is right.

Q. How did you check those?

A. I checked those with the original vouchers. I had them all here the last day of the hearing. I check them from those vouchers.

Q. So this Exhibit 326 does not show the quantity actually received in any case?

A. That exhibit would not show the quantity that would be indicated by the measurement at the plant.

The Master: You see, Mr. Chambers, the trouble with your question is this: Mr. Ad- 12027
dicks has indicated that the quantity received at the plant as measured by their men, although the measurement varies, is probably the same quantity that was certified to by the Produce Exchange men. Isn't that so, Mr. Addicks?

The Witness: Yes.

Mr. Chambers: We challenge that.

The Master: But that is his testimony. Your question is not accurate in the light of his testimony. He says that it does not follow that because the report of their men varies from the

report of the Produce Exchange inspectors, that the quantity varies, that the temperature may have caused a different quantity and that although his men report that they give more and the inspector reports a variance, it was probably the same quantity; and although his men reported it was less than the Produce Exchange men report, it was probably the same quantity. It is only where it cannot be made to conform and looks out of line that any question is raised about it. That is why, as I understand it, the
12029 parties have agreed on the Produce Exchange man's figures as the basis of payment.

Q. You often found it was out of all proportion?

A. No, not often.

Q. How often in a year? Was it once a month?

A. I cannot remember the last time. I have had occasions when a claim has been made. I wanted to see if there was one here.

The Master: There is one; I saw it. Here it is (handing to witness).

A. I don't think that is it; I am not sure, but I think it was some oil that was not unloaded and taken away, and credit given for it.

12030 The Master: I think that is the only record we have of it.

Q. How do you tell when there is—what have you got to show?

The Master: Here is another one, Mr. Addicks, in April, 1917. Would that indicate it, in red ink?

The Witness: Well, it would indicate some credits. You will find in one of these where there are a series of credits at the bottom of the page, explaining. That was a page right in there (indicating).

The Master: Here is another one, $4,000. The figure "4" red ink.

The Witness: There is one for the year 1914, bill as originally rendered is at the bottom, whereas the amounts in here of money appear as including that credit, where there was a cancellation of contract as of July 1, 1914, it was dated as of July 1st, the negotiations were not completed until after July 1st.

The Master: That is a different question.

The Witness: That is a different question.

Q. Mr. Addicks, you make corrections at the plant 12032
for the difference in temperature, don't you, between the plant and the Bayonne price?

A. Yes.

Q. How do you explain it then?

A. They take that temperature at the plant. You take the temperature of the oil in the large tanks, then you take the temperature of the oil in a number of small tanks.

Q. In other words they make allowance at the plant?

The Master: One minute.

The Witness: Why, even if they should make an allowance, I would not think that they would 12033
come to the exact same figure. They have a multiplicity of tanks in these works, and I think in one works there are thirteen small tanks.

Q. In any of them they are supposed at the plant to make an allowance for that difference in temperature?

A. I think they do, and the probabilities are that that allowance is in that figure right here.

Q. Why should they not both have the same quantity of oil then?

A. Well, it is a difference of multiplicity of meas-

urements. I won't give positive testimony with respect to the figures I have corrected. I think they are right, but I won't give positive testimony in regard to them.

Q. Which figure is that?

A. As to whether the figure I gave you, whether there was any correction of temperature on it. I gave you my opinion that there was, but it is only an opinion, and I would rather have it corrected by someone else.

Q. Isn't it a fact that somebody over in Bayonne
12035 used oil right out of these tanks after they are certified, or haven't you heard of that?

A. Used oil directly out of the tanks.

Q. Pump some right out, yes, help themselves?

A. While they are running oil into our tanks?

Q. Afterwards, before they are floated over?

A. Well, it don't make any difference.

Q. The barges?

A. If it is in the barge, it doesn't make any difference.

The Master: Is any oil abstracted from the barge after it leaves Bayonne and goes over to your place, and after it is measured by the in-
12036 spector?

The Witness: I think it would be very clearly indicated if there was, because these barges have an expansion tank in them, which is very small, and it allows for expansion and contraction of oil. I think it would indicate it very clearly.

Q. But you don't know whether it does indicate such a thing?

A. You mean somebody takes five gallons?

Q. Yes; or 25.

A. Well, I would not believe it.

Q. Who measures the drip oil at the various plants? Is that the superintendent? You spoke of drip oil.

The Master: You mean the amount delivered to the Barrett Company?

Q. Yes, the by-product.

A. That is delivered on our measurement.

Q Who makes that measurement?

A. The people in charge, the superintendent.

Q. You don't know anything about that personally?

A. No.

Q. And the tar, is that true as to the tar?

A. The same. Tar, water gas tar, ammonia. 12038

Q. And the measurement of your superintendent, or the man under him?

A. Yes.

Q. Now, have you the contract with the Barrett Company? The Barrett Company takes all of your by-product, do they?

A. No. Well, you are talking of Consolidated Gas Company only. So far as the Consolidated Gas Company is concerned, they practically take all except so far as they sell some to us for other companies, or at least, they have within the period to which we are referring.

Q. Are you connected in any way with the Barrett Company? 12039

A. I am not.

Q. Or anybody in the Consolidated?

A. Or anybody in the Consolidated, so far as I know.

Q. You made long term contracts, I see, with this Barrett Company?

A. Yes.

Q. Now, I have Exhibits 327, 328 and 329. Have you those?

A. I think I have them here (handing papers).

12040 Walter R. Addicks, Cross.

Q. Take this Exhibit 327, which is for the ammonia. Now, that is a ten-year contract that you made July, 1910. Why did you make such a long contract with that company, when you are selling them something, the price of which might go up, whereas you did not pursue that policy in regard to the gas oil? What have you got to say in regard to that?

A. Why, it is based on the market price. It goes up and down according to the market.

Q. Well, then, doesn't that fix the price absolutely?

A. For the month.

12041 Mr. Ransom: Oh, no.

Q. Well, now, let's see if he won't agree with me. It fixes the price absolutely. You get down to the price they are to pay there, and see if it does not fix it absolutely for ten years.

Q. Well, may I read it?

The Master: Yes, read it. I want to hear it.

The Witness (reading): "The price to be paid therefor shall be 1.625 of a cent (1.625 cents) per pound of sulphate of ammonia, which theoretically can be obtained from such liquor, to be determined by what is known as the distillation test, the said price to be based upon the wholesale price or market price of sulphate of ammonia of three cents per pound, and rising and falling porportionately as the wholesale market price advances or declines."

12042

Q. Do you say that that is not a fixing of the price?

A. That fixes a price.

The Master: It fixes a variable price. It fixes a standard by which the price is to be fixed, that is all.

Mr. Ransom: It varies with the wholesale market price.

The Witness: Yes.

Q. Have you followed the wholesale market price of ammonia?

A. Why, that is provided for and unquestionably the accounting department has followed it very closely.

The Master: You don't send out the bills?

The Witness: No, I don't have anything to do with the billing.

Q. Here is one, and I show you Exhibit 329. That is a ten-year contract. Doesn't that fix a price absolutely as of 1910?

The Master: What is that for? 12044

Mr. Chambers: That is for drip oil.

The Witness: Pardon me. Did you think this was a ten-year contract?

Q. Yes.

A. This is for the first day of January, 1919, to the 30th day of April, 1919, three months.

Q. I have the wrong one?

A. There is no ten-year contract for drip oil.

Q. Have you got Exhibits 330, 331, 332, 333 and 334?

A. Yes (handing papers).

Q. Now, in speaking of these Exhibits 327, 328, 329, 330, 331, 332, 333 and 334, did you carry on 12045 negotiations with any other company concerning the sale of these by-products?

A. In connection with, I think it is the last number.

Q. 334?

A. In connection with the drip oil for 1919, yes.

Q. But not as to any of the others?

A. There isn't any other concern that I know of that could handle that material, in the case of our plants.

Q. Whom did you communicate with in 1919, in regard to drip oil?

A. Mr. McIlhavy, the president of the Barrett Company.

Q. Well, you said you communicated with somebody else except the Barrett Company?

A. Well, I had communication with the Seaboard By-Products Chemical Company.

Q. They are in the market for by-products?

A. Yes, in the market for this particular type of material.

Q. Did you try to make a contract with them at a better price?

12047 A. Well, I made a better price to the Barrett Company.

Q. What?

A. I made a better price with the Barrett Company.

Q. Because the rival company was in the market?

A. Well, I don't know whether it was because of that, but it may have had some effect on it.

Q. How about that time? Why didn't you try it?

A. Before that time I do not think they were in the market. This was on account of—as a result of the war that this situation arises, I think.

12048 Q. You think the Barrett Company was the only company that purchased drip oil, ammonia and tar?

A. No. They were the principal company in the United States, or this part of the United States, but the by-product company are interested in some of the materials that would come from this light oil at the present time.

Q. Well, how about in 1910, were there any other companies except the Barrett Company handling by-products?

A. No, except if we had had some—if we had had railroad facilities, I think we might have been able to sell some material by the carload here and there,

12049

but I do not think we could have sold it in the bulk that we had.

By the Master:

Q. What does the Barrett Company use these things for, do you know, Mr. Addicks?

A. Well, I think this drip, I think it got up as high as 15 cents a gallon, it was only worth about two cents a gallon a number of years ago.

Q. What do they use it for?

A. Toluol and benzol, during the war, I think.

Q. And how about the coal tar?

12050

A. The coal tar was used largely for coal tar— or roads, pitch for paving and so on; and then it has all the various—

Q. Is gas coal tar the same?

A. Water gas tar is very different. The coal tar you get the aniline colors and dyes, that probably everybody knows are very difficult to make, and the Germans have been making them much better than we did in this country.

Q. Well, a number of concerns make them, don't they?

A. Yes, but I do not believe the character of colors has quite reached the foreign quality.

12051

Q. But what I mean, there were a number of concerns that could have handled coal tar from you, weren't there?

A. I don't think at the time the contract was made there were many concerns in this part of the country that could have used it.

Q. What is the water gas tar used for?

A. It is used to some extent for road material, and to some extent to mix with roofing tar or coal tar, or probably for tar paper, but its ordinary use, except in the time of the war, I never knew, except the demand for water gas tar during the war, and we got a very high price, we got six cents a gallon for our

water gas tar, according to this contract, for all we could make.

Q. How about this ammoniacal liquor?

A. That is used for sulphate of ammonia.

Q. There are a lot of concerns that make sulphate of ammonia and roofing material and paving material and things of that sort, weren't there?

A. There may be more today, but not in 1910. I do not think that would have been true then.

By Mr. Chambers:

Q. I know, but you made your contract for ten
12053 years and tied yourself up with this Barrett Company?

The Master: Well, it would follow if there were no other concerns then, it would have been reasonable to have made a ten-year contract. The questions I ask contemplated the fact that there were other concerns, and the witness tells me that there were not ten years ago.

The Witness: This Seaboard By-Product Chemical Company, for instance, makes sulphate of ammonia now. It did not exist at that time.

Mr. Ransom: The ten-year contract does not affect the price.

12054 Mr. O'Brien: The Barrett people could get out of it, too.

The Master: You need not answer that question.

Q. Drip oil, Mr. Addicks, as set forth in this Exhibit 333, upon what did you base the price in this contract? Did you find out what the market price was for drip oil at that time?

The Master: What is the date of that contract?

The Witness: This is dated on the first day of January, 1917.

The Master: Well, is it your contention that this price was below what he should have gotten?

Mr. Chambers: As to that I don't know. I want to find out from him. He said fifteen cents a minute ago, drip oil was.

The Witness: That is another contract.

The Master: He said it got as high as 15 cents.

Mr. Chambers: Yes, and I wanted to know if it was as high as 15 cents at that time.

The Witness: That contract, if I recall the details of the negotiation, was determined after instructing Dr. Love, he being a chemist, to make a full investigation of the amount of labor, and what they were getting for this material, the 12056
market prices, and as I recall it, he actually visited the plant of the company, and determined how they were handling it, and I got a price which was a very good price, I thought, at that time, 15 cents, when I had theretofore been getting two cents.

Q. Well, in 1917, this was not 15 cents?

A. The reason for that was that the value of toluol had decreased, and they would not pay the 15 cents any longer, and I could have hunted for my market if I did not take the lower price. These are barge deliveries, you must remember, Mr. Chambers.

Q. Now, the July, 1910, contract for the ammonia 12057
is still in force. I do not find that you have made a new one.

A. No, it is in force at the present time, runs out next year.

Mr. Chambers: I think that is all, if the Master please. I might think of a question or two, but I am practically done, you understand.

The Master: I understand.

Adjourned until October 7, 1919, at 2:30 P. M.

Last Complainant's Exhibit 338.
Last Defendants' Exhibit MM.

CONSOLIDATED GAS COMPANY OF NEW YORK, ETC., *et al.* 12061

Before ABRAHAM S. GILBERT, Special Master.

NEW YORK, October 7, 1919.

Met pursuant to adjournment.

Present: MR. RANSOM, MR. VILAS and MR. GOETZ, of Counsel for Complainant.
MR. CHAMBERS, of Counsel for defendant Newton.
MR. HAYWARD, MR. CLARK and MR. NEUMANN, of Counsel for Public Service Commission. 12062
MR. O'BRIEN, of Counsel for defendant Swann.

The Master: I wish the stenographer to note that the Court was convened at 2:30, but neither Mr. Chambers nor Mr. O'Brien being here, the Court announced it would wait a reasonable length of time for either one of those gentlemen. Major Clark is here representing the Public Service Commission. 12063

WALTER R. ADDICKS resumed the stand.

The Master: Mr. O'Brien, do you want to cross-examine?

Mr. O'Brien: I surely do.

The Master: I wish you would proceed. We have been waiting here for you ten minutes, everybody in the room.

Mr. O'Brien: Well, I want to say that your Master's arrangement yesterday of the time to

go on today has interfered with plans that I made for today.

The Master: I can't help that.

Mr. O'Brien: You suited your own convenience.

The Master: No, I did not.

Mr. O'Brien: You adjourned from the morning until the afternoon.

The Master: I said I was going to adjourn until 1:15 to suit my convenience.

Mr. O'Brien: Well, that is what I say.

12065 The Master: And I arranged for 2:30, to suit Mr. Addicks' convenience; but that is no reason why you should come in ten minutes late, without any apology or explanation.

Mr. O'Brien: I also wish to say that Mr. Chambers stated at the conclusion of the cross-examination yesterday, that he would have some few questions to ask today.

The Master: No, he said if he had would I give him permission. And the excuse is not a good one, Mr. O'Brien, because it happens in the morning too. We are going to sit at nine o'clock after this in the morning.

12066 Cross-examination by Mr. O'Brien:

Q. Mr. Addicks, did you graduate from the Naval Academy?

A. I did.

Q. Have you ever taken up a course in chemistry?

A. Only in connection with the course given at the Naval Academy, the education at the Naval Academy.

Q. In their chemistry included in the curriculum?

A. Yes, sir.

Q. Not extensively?

A. Well, it is sufficient for a marine engineer hav-

ing to do with combustion, all matters connected with combustion.

Q. At the time of your attendance there, oil had not figured as fuel for the warships?

A. No.

Q. Since you graduated from there did you attend any technical school?

A. No.

Q. Took no part in chemistry anywhere?

A. No.

Q. So far as preliminary training in the gas making industry goes, are we to assume from what you 12068
said that it was confined to the three months in Chicago?

A. No.

Q. What did you do in the time you were there in Chicago and prior to the work in the generator house—

The Master: Do you understand, Mr. O'Brien, that Mr. Addicks is called as an expert for any matter, giving opinion evidence about anything?

Mr. O'Brien: Why, from a number of questions asked of him, I would almost assume that.

The Master: What have you in mind as having been testified to by Mr. Addicks, that requires 12069
any expert knowledge on his part?

Mr. O'Brien: The question of correspondence with the oil companies with regard to the quality of oil, the determination of what kind of oil ought to be secured, and what description should be incorporated in the contracts just what kind of oil and the fields from which it came, as proper for the uses of the complainant company.

The Master: All right, go ahead.

Mr. O'Brien: And numerous other matters interlined in the witness's examination. I do not

mean to say by that, your Honor, that I assume he is an expert.

The Master: I see your point. I did not have in mind that that might be important. I simply had in mind what Mr. Addicks had contracted to pay for oil, but I can see where, from your point of view, it might be important, and I will allow it.

Q. Well, following your work in the generating house?

A. I worked in a generating house, I shoveled coal,
12071 made gas, cleaned the fires and on one occasion tore the fires out of the generator and got into the generator personally and put in new grate fires with the top of the generator still incandescent changed superheater brick, worked in the purifying house.

Q. Well, your title was what—gas maker or assistant gas maker?

A. I had no title. I was simply working in the works there for about three months.

Q. To learn all you could?

The Master: For the experience?

The Witness: That is, having been an engineer and having been four years in the Pennsylvania
12072 Railroad, I went to Boston to finish the construction of the Bay State Works, and during the three months of winter time, where construction was abandoned, I spent the entire time in the practical making of gas, so that when Works was prepared to run, I could make gas.

Q. Well, then, it was more or less an experiment: you were not on the pay roll, you were not a regular employee of the place?

A. I was paid by the Construction Company.

Q. In Boston?

A. Yes.

Q. Well, did this construction work involve the putting up of buildings merely, or to get into equipment too?

A. I had had experience in equipping buildings prior to any of this experience with the Pennsylvania Railroad.

Q. But not equipping of a gas company?

A. Not equipping of a gas company. At the time I went there the building of the generator house was completed, or nearly completed; the purifying house building was completed or nearly completed, and the boiler house, and I am not sure as to whether—the 12074
tanks of the holders were completed, but I do not recall now what condition the gas holders themselves were in. I personally laid out all the plans, for connecting up all the apparatus, and I personally did all the work in connection with the installation of the apparatus and connection of everything preparatory to operation.

Q. In Boston?

A. In Boston.

Q. Prior to that time you had never been in the gas company employ before?

A. No.

Q. Your work at Altoona was superintendent of 12075
traffic, was it?

A. My work in Altoona was four years with the general superintendent of motive power department.

Q. You were not the general superintendent yourself?

A. I said in his department.

Q. Yes.

A. I was a draftsman.

Q. I understood you testified previously that you had been general superintendent?

A. No, I have never so testified.

12076 Walter R. Addicks, Cross.

Q. Mr. Wallace was superintendent at that time, was he?

A. He was not.

Q. Was he before your time there?

A. Mr. Wallace, I think, was just before my time. I was there under Mr. Theodore N. Ely as general superintendent, and under the chief of the operating department, I have forgotten his name for the moment. I spent two years in connection with drawings and on cars, and then I was detailed by the general superintendent of motive power to go out into the
12077 territory east of Pittsburgh and Erie and survey—to make plans which included surveys of all the shops and shop yards of the Pennsylvania Railroad system east of Pittsburgh and the Erie. Just as I resigned, I was told I was going to be sent west of Pittsburgh and Erie to do the same work.

Q. What was the Chicago Company you worked for?

A. The Consumers.

Q. Can you say who was president of that company?

A. Mr. Judson.

Q. That was not the forerunner of the present
12078 Peoples Gas Company?

A. There was an old Chicago company, there was an old Consumers company, and I am not sure how many others. They were finally consolidated into the Peoples Gas Company—or the Consumers was, and the old Chicago was.

Q. Was it a coal gas plant then or water gas?

A. The plant I was in was solely water gas.

Q. And the plant at Boston was what?

A. Solely water gas. You are speaking now of the plant which I said I had to do with constructing?

Q. The construction, yes.

A. Yes, sir.

Q. Was it arranged when you went to Chicago that you were just in for a brief spell of experimental work, looking the place over?

A. It was arranged with Mr. Judson that I should be permitted to go into that plant, and I did so.

Q. Was that affiliated with the Boston Company?

A. No.

Q. The work you did in Boston then on this construction was for the Boston Consolidated Company, was it?

A. No, sir; it was for the Beacon Construction 12080
Company.

Q. And afterwards became consolidated, did it, into the Boston Consolidated?

A. No, sir; the Beacon Construction Company were the contractors for erecting the Bay State Gas Works.

Q. The Bay State Gas Works became the Boston Consolidated, did it?

A. The Bay State Gas Company of Boston had this Bay State Gas Works on Cow Pasture down between South Boston and Dorchester, and large mains right down into—well, to Scolley Square—and some distributing mains in addition. That Bay State Works 12081
was afterwards a component part of the Boston Consolidated Gas Company.

The Master: Well, that was the question.

Q. The Boston Consolidated was organized by J. Edward Addicks, I suppose, was it?

A. It was.

Q. Were any of the component parts of it under Mr. Addicks' control?

A. Mr. J. Edward Addicks had control originally of the Bay State Gas Company and the Beacon Construction Company.

Q. Mr. Lawson was associated with him—Thomas Lawson?

12082 Walter R. Addicks, Cross.

A. Not at that time, as I recall.

Q. But later?

The Master: I do not think I am interested in all that, Mr. O'Brien. I do not care anything about that. You are related to Mr. J. Edward Addicks, are you, Mr. Addicks?

The Witness: Yes, sir; I am the youngest brother.

The Master: The youngest brother?

The Witness: Yes, sir.

Q. Did Mr. Henry F. Rogers have anything to do
12083 with that plant?

Mr. Ransom: I object to the question as quite immaterial.

The Master: I will sustain that objection. I do not see how that tests this witness's expertness at all.

Mr. O'Brien: Your Honor, I want to find out the witness's affiliations with the Standard Oil Company.

The Master: The witness's?

Mr. O'Brien: Yes.

The Master: What has Henry H. Rogers to do with that?

12084 Mr. O'Brien: He was one of the dominant factors in the Standard Oil Company.

The Master: I think that is a matter of common knowledge, but I do not see how that shows this witness's connection.

Mr. O'Brien: Well, that will develop.

The Master: Next question. I will sustain that objection.

Mr. O'Brien: It reaches out in several directions, your Honor.

The Master: Ask another question and we will see where it reaches.

Mr. O'Brien: It will follow from the answer of the witness.

The Master: You can assume that the witness will say Henry H. Rogers was an important factor in the Standard Oil Company. That is a matter of common knowledge.

Mr. O'Brien: But I am asking him what connection Henry H. Rogers had with the Boston Consolidated Company, or any of the constituent companies that were consolidated with it.

Mr. Ransom: That question is objected to.

The Master: I do not care whether Henry H. 12086
Rogers had any interest in the Bay State Consolidated Gas Company or not. I think he is dead.

Mr. O'Brien: I want to show your Honor the witness's affiliations with the Standard Oil Company.

The Master: No, you started out to test his ability or capacity as an expert and I am going to hold you to that line for the time being. Whether I will modify my ruling as to other branches of the case later I do not know, but at this time I am going to ask you to confine yourself to testing the witness as an expert. That is 12087
what you set out to do, if you remember.

Mr. O'Brien: Oh, no.

The Master: Didn't you?

Mr. O'Brien: Oh, no.

The Master: Did I not ask you what your purpose was in testing this man's qualifications as an expert?

Mr. O'Brien: I do not know just how you put it. You asked me if I had that in mind. I think the question was whether I assumed he was an expert.

The Master: Yes, and he said he was and you wanted to test that.

Mr. O'Brien: But these questions will have bearing upon many phases of the witness's testimony. I want to know what the witness's connections were with the Standard Oil Company.

The Master: The witness's?

Mr. O'Brien: I want to find out how he came into the Consolidated Gas Company.

The Master: All right, you may find all that out. I will allow that.

12089 Mr. O'Brien: I understood your Honor was going to allow a good deal of latitude on that subject.

The Master: I am. I am going to allow you to ask how he came into the Consolidated Gas Company and his interest in it. I do not think the relations with Henry H. Rogers have anything to do with it. I will let you show this witness's interest.

Q. Did you have any business relations with Mr. Rogers in connection with any of your work for the Boston gas companies?

Mr. Ransom: I object to the question as im-

12090 material.

The Master: I will allow that.

Mr. Ransom: Fix the time.

The Master: I do not care when it was. I will allow that question.

Mr. Ransom: Exception.

A. May I have the question repeated?

Q. Did you have any business relations with Mr. Rogers in connection with any of your work for the Boston gas companies?

A. Yes.

Q. What were they?

Mr. Ransom: I object to the question as immaterial.

The Master: It is allowed.

Mr. Ransom: Exception.

The Master: I repeat what I said before, Judge Ransom. I am going to give him the widest latitude to show the slightest connection between the Consolidated Gas Company and this man.

Mr. Ransom: I think that is immaterial, what his relations were with Mr. Rogers.

The Master: I think this might tend to show it. What were the business relations between 12092
Mr. Rogers and yourself in connection with the Boston situation?

The Witness: Mr. Rogers was interested not in the Bay State Gas Company, or in the Boston Consolidated Gas Company, but he was interested at one time in the Brookline Gas Company. I saw him once, I think, in Boston at that time.

Q. Did he sell naphtha or gas oil to the companies there?

A. He did. He personally?

Q. The Standard Oil Company?

A. The Standard Oil Company did and did not. 12093
At one time we were getting oil from the Standard Oil Company, and we broke away from them and bought outside, and then resulted that very serious thing which I told you of yesterday—or I told Mr. Chambers of yesterday.

Q. You said the plant broke down?

A. No, sir; I did not. I said the oil companies failed to supply.

Q. You had to do something to the generator house?

A. We had to build a new building. We had to build a new building and new generators.

Q. Why did you have to build new generators—because the oil companies failed to carry out their contract?

A. Because our generators were only built efficiently to use one character of oil, or practically one character of oil, and the character of oil we were compelled to use resulted in practically shutting the generators down.

Q. Will you explain to the Court just why the class of oil you had contracted for was fit for one kind of machinery, and the oil of the Standard Oil Company
12095 required another kind of equipment?

A. I will have to make my answer rather long. The Bay State Gas Company's generator was that known as a Flannery generator. The Flannery generator consisted of a steel tank about 7 1/2 or 8 feet wide, about the same depth, and about twice the length. Those were the general dimensions. In the front half of that shell there was a fire pot for coal. In the rear half of the shell was a retort very similar to a coal gas retort, which ran around the shell, leaving a square opening in the center of the back half of the shell. The retort ran to the front half and then went with vertical flues down to the bottom and
12096 came up through superheater brick and passed up through the square opening that I have just referred to, into an extension of the generator, which was round, and then to a blast cap. The extension which was round had a pipe connection to the hydraulic seal. Now, we were using naphtha exclusively in those machines, and they were very well adapted for that oil. They were not adapted for another type of oil where you would have considerable residue.

Q. Are you finished?

A. That finishes the description of the machine.

Q. Were you required to change your machinery to meet the Standard Oil Company's—

A. I did not say that. I said we could not buy the naphtha. I said we could not buy the necessary oil. We could not buy the naphtha to use in these Flannery generators.

Q. Well, that was about the time there was a shift from the use of naphtha to the use of gas oil?

A. No. That may have been a portion of that time. This was in 1888. The loss of naphtha, as I recall it, was in the early 90's.

Q. The abandonment of the use of naphtha?

A. The abandonment of it, yes.

Q. And the adoption of gas oil? 12098

A. Yes.

Q. Was about what day or year?

A. I think somewhere about 1890. Did I say 1900? I mean to say 1890.

The Master: I thought you said it was 1888.

The Witness: At this time when we started our plant was in 1888. As a result of that, we put up the low type of apparatus.

Q. That was a complete change of the system?

A. No, it was a complete change of the apparatus, which was adapted to use these heavier oils.

Q. To use these heavier oils as against naphtha?

A. Yes, sir. 12099

Q. There was gradually developing at that time the propaganda for the use of gas oil, was there not?

A. Very shortly after; I think that is true.

Q. And prior to that time, the time when the use of gas oil came into vogue, did it have any use commercially or industrially?

A. Gas oil?

Q. Yes.

A. Not so far as I know, unless it was for fuel oil.

Q. Is it not a fact that it was actually thrown away as a waste product or a wasted product?

A. Well, I have heard that as tradition, but I do not know it as a fact.

Q. Now, that you speak of its use as fuel oil, when speaking about its uses, you mentioned fuel oil and you modified that afterwards by mentioning the Diesel engines, did you not?

A. No, I did not. I wanted to rather expand it as referring to the fact that it could be used in a Diesel engine, and it may be used in the Diesel engine in
12101 some of these foreign boats.

Q. Did you intend to convey to the Master's mind that gas oil was used as a fuel now—gas oil as such?

A. I specifically said that I had not personal knowledge, but my information was that it conformed to the Admiralty specifications for the oil for the English Navy.

Q. That was some information that you are not positive of?

A. Well, I got that from oil sources.

Q. It was not used by the American Navy in the recent war?

A. Well, I had the specifications for the American
12102 Navy, but I do not recall that specifically.

Q. Coming back to Boston, was that the first time you met Mr. Rogers?

A. Yes.

Q. And he was actively engaged in having gas oil taken up by gas companies at that time, wasn't he?

A. Well, I knew him in connection with that, and I knew him in connection with being actively engaged in and having a two or three year fight with the Boston Company in Boston, with the Brookline Company as the other opponent.

Q. Competition between companies, was it?

A. Yes, sir, we had a long long fight between the companies.

Q. Was that for control of the gas system there?

A. Well, the Bay State Company, or the people interested in the Bay State Company, had purchased other companies which included practically all of Boston with the exception of Jamaica Plain and Brookline, and a difference arose between my brother and associates of Mr. Rogers, or Mr. Rogers—I don't know what it all involved—and the result was they bought the Brookline Company and got permission to lay parallel pipes with the Boston Company in Boston. 12104

Q. And as a result came the Boston Consolidated Company?

A. Not at that time.

Q. Later?

A. It was several years after before that came about; in fact that did not come about I think until 1905.

Q. Well, the abandonment of the use of naphtha, and the adoption of the use of gas oil, made a market, did it not, for oil companies selling gas oil?

A. It meant a market for gas oil replacing the market for naphtha which had been used by gas companies, naphtha and gasoline, and a new market for gasoline. 12105

Q. Were any of the plants making up the Boston Consolidated Company coal gas plants?

A. Yes, sir.

Q. How many of them?

A. Either six or seven.

Q. Were coal gas plants?

A. Were coal gas plants.

Q. Is it not a fact that all except Brookline was a coal gas plant?

A. Brookline also had a coal gas plant. The Bay State Gas Company had not a coal gas plant.

Q. Do you recall when they changed to the water gas system?

A. Which company?

Q. Any of the six that were coal gas companies?

Mr. Ransom: I object to the question as wholly immaterial. We are not trying the rate for gas in Boston.

The Master: No, but I will allow it. I think I preceive what Mr. O'Brien is after.

12107 Mr. Ransom: Until after this witness had come to this city for the Consolidated system this purchase of one company by another had not taken place. Instead of showing connection on the part of this witness with the Standard Oil, everything that has been brought out so far would tend to show he was not connected, but was identified with an antagonistic interest.

The Master: Well, let it go along a little ways.

By the Master:

Q. Do you remember when any of these six or seven coal gas plants changed to water gas, if any?

12108 A. Yes.

Q. When was it?

A. The Brookline plant was changed to water gas in order to compete with the Boston companies, and at a time the date of which I do not quite remember, the water gas was put in to the North End Station of the Boston Gas Company, the Bay State Company being purely a water gas plant from the start. It was the only one.

By Mr. O'Brien:

Q. Then they were using oil from the start?

A. At the Bay State Works, yes, sir.

Q. And they bought their oil from whom?

A. Originally they bought their oil from the Standard Oil Company, and then they bought it from the Manhattan Oil Company.

Q. About what time did they buy it from the Manhattan?

A. I cannot give you the date.

Q. How long a period?

A. Not for a long period, because they failed to deliver oil. I do not recall the exact length of time.

Q. Was it a year?

A. I cannot remember now. 12110

Q. Was it six months?

A. I cannot remember now.

Q. For the rest of the time then it was back to Standard Oil?

A. They had to go back to the Standard.

Q. Is the Manhattan Oil Company a small oil company?

A. I do not recall now the size of it. Its largest plant, I think, was in Chicago. I am not sure now, but I think it was the largest oil company at that time, that was competing with the Standard Oil Company, as far as I know.

Q. Was it not as a matter of fact supplying Chi- 12111
cago?

A. I would not be surprised if they did, but how much of Chicago they supplied I do not know. They could not supply us.

Q. You are clear on that?

A. Yes, very clear.

Q. You mean they failed in their contract because they could not get the supply?

A. They failed in their contract because they could not get the material to give it to us.

Q. Do you know the details of their failure to give you that supply?

A. I only knew the details of the trouble I had in running the plant.

Q. Was it railroad difficulties?

A. No.

Q. Was it their inability to get proper railroad facilities?

A. No, because we employed a buyer to buy the material and we couldn't buy it.

Q. Do you know anything about its relations with
12113 the gas companies of Chicago and the supply of oil they furnished Chicago?

A. Absolutely not.

Q. You know Mr. E. C. Benedict?

A. I never met him.

Q. You know he was connected with the gas industry in Chicago?

A. I don't recall that fact.

Q. You don't remember that?

A. I don't recall that fact, if it is a fact.

Q. Will you refresh your memory and tell me whether or not you were not aware of the fact that he got away from Standard Oil and got his own supply
12114 of oil?

Mr. Ransom: I object to the question as immaterial.

The Master: I think it is best to let the witness answer, because he says he does not know.

A. I have no knowledge of Mr. E. C. Benedict or his relations.

Q. Did you ever go into the question of how other companies were getting their supplies of oil?

A. When?

Q. During the time that you have been in the gas business?

A. During the time I have been in the gas business?

Q. Yes.

A. Where they get their supply of oil?

Q. Yes.

A. The gas companies?

Q. The gas companies?

A. Well, I knew where the gas companies generally in New England got their oil at the time I was there.

Q. That does not answer the question you know.

A. Well, I knew of the various companies that existed, and the oil supply. 12116

Q. Isn't that a matter that anyone vitally interested in the gas business would go into pretty deeply?

A. Yes.

Q. Have you had to do with the oil contracts of the company since your connection with it, the complainant company?

A. Yes.

Q. Then you have been closely related to the oil contracts for how long prior to 1905?

A. The first contract that I had anything to do with in the way of the negotiation, as I recall it, was the second contract that has been referred to in this case.

Q. Then we may assume that these contracts, so far as the term that they cover, the period they cover, are contemporaneous with your connection directly with the purchase of gas oil by the complainant company? 12117

A. From the first contract that involved the payment of two qualities of oil, one at 4.29 and the other at 4 7/8 cents.

Q. When you use those figures you are referring to a contract, are you?

A. I am referring to the contract—I do not recall the exhibit number, but it was 1905, 1906, 1907, 1908—the latter part of 1905.

12118 Walter R Addicks, Cross.

Q. You are using those just to describe the contract?

A. Yes.

Q. They remain in your memory rather than the date of the contract? The price is fixed in your memory?

A. The date?

Q. I say, these prices rather than the dates remain in your memory?

A. I have given you the dates.

Q. Well, you hesitated about the dates, but you
12119 were positive about the prices?

Q. There were several years involved in it and I want to get it accurately.

Q. At that time, Mr. Addicks, did the practice prevail in the complainant company of having the executive committee discuss and pass upon all contracts made for the purchase of gas oil?

Mr. Ransom: I object to the question. It has been asked and answered I believe with respect to every contract that is in evidence.

The Master: I will allow it in. I think you are right about it, but I will allow it again.

A. The executive committee passed on all contracts,
12120 yes, sir.

The Master: As far back as 1905?

The Witness: Yes, sir.

Q. Did they go into those matters as much in the early days as latterly?

A. I think so.

Q. Mr. Gawtry has testified that they met every week and took up these matters?

A. Yes, sir.

Q. Did they at that time, in those other days?

A. Yes, sir, I have never known a time since I have been there that they have not met weekly.

Q. And the details are explained to them? You get up a memorandum, do you, of the matters that are coming before them?

A. I explain to them in detail exactly the conditions surrounding the contract and our requirements.

Q. And you bring up all matters that are discussed, they all go through your hands, as I understand you?

A. Yes, sir.

Q. Everything that is considered by the executive committee you as secretary prepare, and have memoranda on the salient points? You used the words "salient points"? 12122

A. I, as acting secretary of that committee, take everything that comes before me there, whether it originates from me or originates from other executive officers, and present it to them.

Q. And you discussed the matters, too, with the committee?

A. Anything that requires explanation is explained in detail by me.

Q. Do you keep minutes of the meetings of the executive committee?

A. Yes, sir.

Q. And are those minutes preserved?

A. Yes, sir. 12123

Q. And do the minutes give the details of the discussion, and show what directors are present?

A. They show what directors are present.

Q. So that—

The Master: Does it show details of the discussion?

The Witness: No, not the details of all discussions. It shows—

The Master: The result.

The Witness: A certain amount, and the result of the discussion and the authority.

Q. Well, in taking up these oil contracts, for instance, you have a memorandum prepared as to what you have done in connection with negotiating the price?

A. I have such memorandum.

Q. And your argument, whatever reasons you see fit to submit, you put them in, do you, a memorandum?

A. No, I do not put them necessarily in the shape of a memorandum. I have such notes myself of what it is, and present to them the facts.

The Master: Orally?

12125 The Witness: Orally.

Q. And they carry on this discussion, and they make their decision?

A. Yes, sir.

Q. The minutes do not go into the detail of the discussion, is that correct?

A. The minutes do not go into the detail of discussion in every case.

Q. The minutes preserved by you will show who was present when those contracts were made?

A. Yes, sir.

Q. So that if Mr. Rockefeller or Mr. Brady or Mr. Baker or Mr. Garver, or any of the other mem-

12126 bers of the executive committee took part in the discussion and the decision made, that would be indicated in the minutes?

A. Yes; but Mr. Baker is not a member of the executive committee.

Q. Was he ever a member of the executive committee?

A. No, sir, so far as I know.

Q. He is a member of the Board of Directors?

A. He is.

Q. Do you call the directors trustees?

A. Yes, sir.

Q. That is a name that is applied, I find, quite generally to your directors. Is there a particular reason for that?

A. I don't know what the reason was.

Q. Have they always been called directors?

A. As long as I have been with the company, yes, sir.

The Master: That is what the law called them.

Q. Mr. Addicks, speaking of your own directorates, are you a director still of the Ball Electric Illuminating Company?

A. Yes. 12128

Q. Of the Brush Electric Illuminating Company of New York?

A. Yes.

Q. Of the Municipal Lighting Company?

A. Yes.

Q. Of the National Coal & Coke, I think you did testify?

A. No, sir, I have not testified with regard to that. I am a director of it.

Q. And still a director of that?

A. Yes, sir.

Q. Of the New York & Queens Gas Company?

A. Yes, sir. 12129

Q. The Northern Union—Central Union?

A. No, sir.

Q. Either of them?

A. Not of either of those.

Q. The Northern Westchester Lighting Company?

A. Yes.

Q. The Peekskill Lighting & Railroad Company?

A. Yes.

Q. The United Electric Light & Power Company?

A. Yes.

Q. And the Westchester Lighting Company?

A. Yes.

Q. Now, the directory of directors gives your office as 1170 Broadway. Is that a mistake, or did you have in 1916, an office at that place?

A. I do not recall the date where an office of the United Electric Light & Power Company—originally they had an office there, and during the time they had an office there I was president of that company.

Q. How long were you president of it?

A. A number of years.

Q. Well, what were they? You remember, don't
12131 you?

A. No, I do not think I can give the exact date. I should suppose that it was somewhere around 1905, and for a number of years after that, when I resigned.

Q. Ten years, say?

A. Well, it might have been. Let's see. This is 1919. I should think it was considerably less than —more than ten—less than ten years ago, and I should say seven or eight years ago, perhaps nine.

Q. Now, as to Mr. Baker, you say he was a member of the trustees, but not the executive committee. Was he ever a member of the executive committee?

12132 A. I do not recall Mr. Baker being a member of the executive committee during the period of time that I have been with the Consolidated Gas Company.

Q. He is a director of the Central Railroad of New Jersey, is he not?

A. I do not know.

Q. Do you know anything about his affiliations with railroads, or with steel companies or other corporations?

A. None whatever.

Mr. Ransom: I object to the question as immaterial.

The Master: Overruled. It cannot do any harm, and the witness says he does not know. The purpose of the trial is to elicit the fact and not to pass academically upon questions.

Mr. O'Brien: I want to say that in his cross-examination the question might lie to something being not, strictly speaking, rebuttal.

The Master: Rebuttal?

Mr. O'Brien: Or cross examination.

The Master: If it is not strictly cross-examination, I won't allow it, if it is not in my judgment cross-examination. I am not here to look 12134
into the private affairs of the trustees of the Consolidated Gas Company—

Mr. O'Brien: Of course, but let us—

The Master: —as a pure matter of curiosity. I am willing to look into it if it bears upon the issues in the case.

Mr. O'Brien: I don't want it to be looked upon with the statement, after we have concluded this trial, that we did not, when we had officers on the stand, ask them certain questions or bring out certain information, so, if the objection is made, the record is made as to the complainant's representative in this case. 12135

The Master: Go ahead.

Q. I will ask you now, Mr. Addicks, if you know whether Mr. Baker is a director of the Central Railroad of New Jersey, the Delaware, Lackawanna & Western Railroad—

The Master: No, I won't permit that.

Q. (Continuing.) The Erie Railroad—

The Master: I won't permit that question, in the light of the witness's statement that he does not know what companies Mr. Baker is a director of or connected with. Now, there is no sense of

enumerating all these companies, and I will not have it spread on the record.

Mr. O'Brien: But the witness is a director of the company.

The Master: What is that?

Mr. O'Brien: Mr. Addicks is a member of the Board of Directors.

The Master: Right.

Mr. O'Brien: Of the complainant company.

The Master: Right.

Mr. O'Brien: And he is a co-director or co-
12137 trustee with George F. Baker?

The Master: Yes.

Mr. O'Brien: He makes—

The Master: He says he does not know what other companies he is in. Now, what is the use asking him if he is a director of the Central Railroad of New Jersey, when he says, "I don't know," again.

Mr. O'Brien: The evidence I want is that he does not know.

The Master: He said that.

Mr. O'Brien: That is what I want on the record.

12138 The Master: Well, he has said that. Do you know of any companies that Mr. Baker is a director of?

The Witness: None of those companies enumerated, or any other corporations that I know of. I associate Mr. Baker as connected with a bank at Wall and Broadway, one of the national banks.

The Master: Do you know whether he is a director of that bank?

The Witness: Well, I assume he must be, be-

cause he was president at one time. At the present time I don't know, but he was president of that bank at one time, and I assume he must be a director.

The Master: Do you know of any other corporations of which he is a director?

The Witness: I do not.

The Master: If Mr. O'Brien reads off a lot of names, are you apt to recognize any of them?

The Witness: No, sir.

The Master: Would you know it?

The Witness: No, sir. 12140

The Master: Now, what is the use reading off the list?

Mr. O'Brien: Well, now, your Honor, perhaps I did not make myself clear, but the point is clear that whether he answers yes or no, it is evidence in this case.

Q. Now, I will ask you, Mr. Addicks, if you ever took the trouble, as a member of the executive committee that makes contracts for the complainant company, to find out the connections and affiliations of the directors of the complainant company?

Mr. Ransom: I object to the question.

The Master: I will allow that, I think it is a very proper question. 12141

Mr. Ransom: Exception.

A. I am not a member of the executive committee.

The Master: No, but you are a director of the company.

The Witness: I am a trustee of the company, but the question was, "as a member of the executive committee."

Q. Well, as secretary of the executive committee

and as vice president of the Consolidated Gas Company, and one of its directors?

A. No.

The Master: Then your answer is that you did not inquire to see what companies Mr. Baker was a director of?

The Witness: No, sir.

The Master: To see whether it affected any contract that you might make?

The Witness: No, sir.

The Master: That is a very proper question, I
12143 think. Now, the next question.

Q. Would you have approved of contracts—

The Master: You need not finish that, because I won't allow it.

Q. (Continuing.) Made by—

The Master: It is pure speculation, and I won't allow it.

Mr. O'Brien: Let me finish the question.

The Master: There is no use finishing the question, because I am not going to allow it—would you do something if something else happened.

Mr. O'Brien: But your mind is not going on
12144 the record, that is the unfortunate part of it.

The Master: The minute you start a question "Would you have done something," I will sustain an objection, because it leads us nowhere. If Mr. Baker had been a director of the Standard Oil Company, would you have made a contract with him, if you had known he was a director of the Standard Oil Company, and whether he says, "Yes," or "No," don't mean anything in this case. You do get to the meat of a case if you ask a witness who is a trustee of the company, whose business it is to safeguard the affairs of that com-

pany, whether he paid any attention as to what the interests of other directors were and who he was dealing with. That is all right, I will allow that. Next question.

Q. Do you know whether anybody of the Board of Directors, the executive committee, or the board of officers, has ever gone into, since your connection, since the time of your connection with this complainant company, into the question of the affiliations of its trustees or its executive committee or its officers?

The Master: With other companies.

Mr. O'Brien: With other companies, with 12146 whom they have done business.

Mr. Ransom: I object to the question.

The Master: I will allow it.

Mr. Ransom: On the question of what he might have done?

The Master: Does he know of any director having made any investigation, or the company having made any investigation? I will allow that question.

The Witness: It is a pretty long question. I would like to have it read again.

The Master: All right, the stenographer will read it. 12147

(The question was read by the stenographer.)

A. I know of no investigation of that character.

Q. Was this matter ever discussed in your time, in the executive committee meetings?

A. I do not recall any such discussion.

The Master: Or the board of trustee meetings?

The Witness: Or the board of trustee meetings.

Q. Were you present at the meetings of the executive committee when contracts were approved for the purpose of coal?

A. Yes.

Q. Have you been present quite generally at all of the meetings held in the last ten years, of the executive committee?

A. I have.

Q. Outside of summer vacations, we may assume that you have been present at them all?

A. I think so.

Q. And you would have heard discussion, if there was any question brought up as to the propriety of buying coal from companies with which officers or
12149 directors of the complainant company might be affiliated?

A. In those meetings?

Q. Yes.

A. Yes.

Q. You never did hear it discussed?

A. I do not recall any instance of that kind.

The Master: How about oil?

The Witness: Or oil.

Q. In the question of buying pipe, was the propriety of making contracts with the United States Cast Iron Pipe Company, of which Mr. Nicholas Brady is a director, ever brought up?

12150 The Master: Was the question ever brought up about Mr. Nicholas Brady being a director of the Cast Iron Pipe Company?

The Witness: I do not remember any such question.

The Master: Do you know that he is a director of that company?

The Witness: I have an impression to that effect.

Q. Has Mr. Brady ever influenced or urged the adoption of contracts with that particular company?

A. No, sir.

Q. No?

A. No, sir.

Q. Do you have anything to do with the dealings of the purchasing department, under Mr. Gawtry?

A. Practically none.

Q. That is a domain all his own, except as to oil, which you purchase?

A. The matters that come before me come before me in the shape of proposed contracts, and I simply transmit those to the executive committee.

The Master: You now refer to other things but oil? 12152

The Witness: I am referring now to other things than oil.

Q. Mr. Addicks, are you a director or an officer of any other company than the ones that I just enumerated a while ago?

A. A present?

Q. Yes.

A. I think you have enumerated all of them, all that I can remember at the moment.

Q. Of course, my question is not confined to gas companies or electric light companies. Are you affiliated as an officer or stockholder with any other companies? 12153

The Master: I am not going to have the witness tell us the stock he owns in all the companies.

Mr. O'Brien: Not unless they deal with some supplies they use, I will confine it to that.

The Master: Yes, if you do that.

Mr. O'Brien: Supplies of any kind that are used by gas companies.

The Master: By this gas company or these gas companies.

Q. Or stockholder?

A. Or whether it is gas or whether it is some other corporation that deals with this company?

12154 Walter R. Addicks, Cross.

The Master: Yes.

The Witness: I am interested personally in the stock of one company to the extent of a fraction of one share.

Q. That does business with this company?

The Master: One of the old Standard Oil Companies.

The Witness: No, sir; it came to me by descent, a small appliance company.

The Master: Give us the name of it.

The Witness: It was known as the General
12155 Appliance Company.

The Master: It was or is.

The Witness: I think it has been consolidated now. I do not remember its name.

The Master: What does that make, or what did it make?

The Witness: It made—furnished gas ranges, etc. There was one share originally, and it was consolidated and became a fraction of a share, and I have one-half interest in that fraction.

Q. When you recommended these contracts with the Standard Oil Company of New Jersey, did you discuss them with Mr. William Rockefeller?

12156 A. I discussed them with the executive committee, which included Mr. William Rockefeller.

Q. And he was present at the meeting where they were discussed?

A. He has not been present at all the meetings where oil contracts have been discussed.

The Master: He has been present at some?

The Witness: He has been present at some, unquestionably.

Q. And did he bring up the question of his connection with the Standard Oil Company of New Jersey?

A. No.

Q. Has he outside of the executive committee meetings?

The Master: Let me interrupt you. It was generally known that Mr. William Rockefeller was connected with the Standard Oil Company of New Jersey, was it not?

The Witness: I assumed he was connected with the Standard Oil Company.

The Master: It was fair to assume that the other directors had the same knowledge that you had.

The Witness: Yes, sir; undoubtedly. 12158

Q. Was any attempt made by you or any officer or director of the company, through Mr. William Rockefeller, to get a lower price for your gas oil than was offered you by the purchasing agent with whom you had carried on conversations?

A. The purchasing agent was not involved in these oil contracts at all.

Q. I didn't know but what you did know Mr. Williams' title?

A. I personally and individually did it.

The Master: He means selling agent.

Q. I mean the purchasing agent of the Standard Oil Company of New Jersey. What is his name, 12159 Williams?

The Master: You mean the sales agent.

A. The sales agent of the Standard Oil Company of New Jersey is T. J. Williams. Rather, he hasn't the title of sales agent, but he was the man I dealt with.

Q. He is the man did the business for them?

A. With me.

Q. With you?

A. Yes.

Q. What was his title?

A. I don't know that he had a title.

Q. What was his authority?

A. I don't know his authority except that I dealt with him as the authority of the Standard Oil Company, and his letterhead appeared as T. J. Williams.

Q. Well, when you dealt with him you knew and felt that his was the last word on the price of oil, was that it?

A. No, I did not think that at all.

Q. Well, who introduced you to him?

A. I think the president. I don't know whether
12161 the president of the company introduced me to him originally or not.

Q. Did Mr. Rockefeller introduce you to him?

A. Certainly not.

Q. Did he tell you at any time to go and see Williams and fix it up with him?

A. No, sir.

Q. Well, you must have some knowledge that Mr. Williams was the man to deal with there?

A. I was informed, how or when, I don't know, to deal with Mr. Williams, and I did.

Q. Did you ever discuss these oil contracts, or the question of the purchase of oil from either the Standard
12162 Oil Company of New Jersey or the Standard Oil Company of New York, with Mr. William Rockefeller?

A. Yes, sir, in the trustees' meetings I discussed the question of the purchase of oil which involved that of the terms which I presented to the Board.

Q. Did he point out a way to get a lower price?

A. I do not recall his pointing out a way.

Q. Was any effort made on his part to try and get a lower price?

A. I do not recall any such effort.

Q. Can you state the substance of any of your

conversations with him upon the subject of oil contracts?

A. No, sir. My statements were made to the committee in general, and not addressed to any particular officer or particular individual.

Q. Well, did he make any comment of any kind upon these contracts, for them or against them?

A. I do not recall at this time any comments, unless it be something with respect to the supply of oil available. He may have made some remarks in connection with that.

Q. Well, did he tell you to take this, it was the 12164
best price you could get?

A. No. I think that as a rule—sometimes I took a final proposition, but very frequently I did not take a final proposition, I took a matter up informally and told the executive committee what the proposition was, and what I was endeavoring to get.

Q. Can you recall, Mr. Addicks, whether he sat there sphinxlike, without any comment; whether he was silent while the discussion was on as to whether the decision should be to take these contracts or not; or did he have some opinion upon the subject for or against?

A. I don't recall any affirmative decision in any 12165
of those meetings made by him.

Q. Did he have anything to say to his colleagues, or to you at these meetings?

A. To what?

Q. To his colleagues or to you at these meetings, as to the propriety of making the term of the contract two years or eight years, or whatever the term might have been?

A. I do not recall any conversation as to that.

Q. You say you think he discussed the supply of oil?

A. You asked me if I could remember any specific thing.

Q. Yes.

A. And I said that I thought that at one time there was some discussion of the future supply of oil. I think there was some discussion in regard to the available supply of oil at one time.

Q. Was that during the war?

A. No, I think that was sometime before the war.

Q. Do you recall what his view was as to the process?

12167 A. Not now.

Q. Do you think he held it to be uncertain as to the supply?

A. I do not remember the detail of it.

Q. Did he say anything that caused the decision to be made in favor of making these contracts?

A. I do not recall the effect of the remark.

Q. Was he present when the contracts made with the Standard Oil of New York were discussed?

A. I should have to look at the record to find out when he was present.

Q. Well the record would show whether there was a minority vote on any of these matters?

12168 A. Yes, it undoubtedly would.

Q. Is that an occurrence at any time in the executive committee? Has there ever been a minority registered?

A. I do not recall any such thing.

Q. There is unanimity then, throughout all the meetings of the executive committee?

A. I think so, when it comes to the final conclusion.

The Master: In other words, do I get a correct impression that various gentlemen will discuss the situation pro and con, and when they have threshed it out they usually agree upon the result?

The Witness: I think that is a fair impression, sir. If anybody objected, I don't think the matter would be done.

Q. Did you write to Tidewater about contracts or consult them?

The Master: The correspondence appears in one of these records.

Q. Did you know at the time that you carried on the correspondence, that Mr. Baker's son was a director of that Company?

A. No, I don't think I did.

Q. Is it generally understood, Mr. Addicks, that 12170
Tidewater is a property of the Standard Oil or dominated by it?

A. I don't know that fact.

Q. Did you ever hear it said?

A. If I did, I have forgotten it.

Q. Do you know Mr. Baker's son?

A. Yes, sir.

Q. Do you know him to be connected with various corporations?

A. I simply know him as Mr. Baker's son. I have met him, that is all. I do not know him intimately.

Q. Then you do not know him in connection with any of the corporations?

A. No, I simply know him by meeting him at one 12171
time. I do not know when.

Q. Mr. Vanderlip is a member of your Board of Directors and of your executive committee?

A. Yes.

Q. And he is connected with various other companies, is he not?

A. Undoubtedly.

Q. He is a director of the United States Reality & Improvement Company?

The Master: What has that got to do with this case, Mr. O'Brien?

Mr. O'Brien: Not with oil, your Honor, but the George A. Fuller Construction Company put up the building at 15th Street and Irving Place, and I want to know something about it.

The Master: Very well, go ahead.

Mr. O'Brien: These are questions that—

The Witness: Is that the official name, the George A. Fuller Company?

Q. No, but do you know anything about the George A. Fuller Company?

A. The George A. Fuller Company were contract-
12173 ors in connection with our 15th Street building.

Q. Are they not controlled by the United States Reality & Improvement Company?

A. I do not know the affiliation.

Q. Did you have anything to do with the construction of the 15th Street building?

A. A great deal to do with it.

Q. Did you have anything to do with the making of the contracts and the determination of the company that they were to be made with?

A. I had after the executive committee had decided upon having the George A. Fuller Company act as contractors for that building.

12174 Q. Mr. Vanderlip is also a director of the New York Edison Company, is he not—an affiliation of the complainant?

A. Yes, I think he is.

Q. And of the Peekskill Lighting Company?

A. He is.

Q. And Mr. Samuel Sloan—is he still a director of the Consolidated?

A. Samuel Sloan, the present one, yes.

Q. He is still living and still a director?

A. The original Samuel Sloan is dead, and his son is now a director.

Q. Do you happen to know the other companies that he may be connected with?

A. I know him as being connected with a bank.

Q. You do not know the railroads that he is a director of?

A. No.

Q. Do you know of the companies in which the various other trustees and those we have mentioned today are connected as directors, outside of the affiliated companies of the complainant?

The Master: You better read off the names.

Q. Mr. W. P. Bliss? 12176

A. No.

Q. Mr. Brady; do you know of his various affiliations?

The Master: Or some of them?

A. I think I know some of them.

Q. Could you name them?

A. I think I know some of them at least by inference. I do not know it by the fact.

The Master: What companies do you understand he is connected with?

The Witness: I think he is connected with the Steel Company, but I won't give it as testimony that he is. I do not mean the Steel Company, 12177
I mean the Pipe Foundry Company.

The Master: Anything else that you know of?

The Witness: Not definitely.

The Master: I got the impression, from questions that were asked before, he was a director of the Standard Oil. Is he?

The Witness: I never heard so. That was The Prudential Oil or some such company.

Q. Isn't it Prudential?

Mr. Ransom: There was a reference made to Mr. Brady being connected with the Prudential

Oil. That is the difficulty with this method of insinuation being pursued by both Mr. Chambers and Mr. O'Brien.

The Master: That is the reason I stopped this long list of questions.

Mr. Ransom: But it does illustrate that it gets erroneous impressions into the mind of the Master.

The Master: But they do not rest there so long.

Mr. O'Brien: I do not see why the record
12179 should not speak for itself. I am not attempting to make insinuations.

The Master: The only one he says he knows Mr. Brady is connected with is the Pipe Foundry Company.

Q. Let me make it more specific, Mr. Addicks, and ask you if you know the various gas companies and other lighting companies that Mr. Brady is directly affiliated with, either as a stockholder or as a director?

A. No, I know that Mr. Brady is reputed to be interested in a number of companies, but that is all I I can say.

Q. Then you do not know of his connection with
12180 the People's Gas Company of Chicago?

A. I did not know that Mr. N. L. Brady was connected with the People's Gas Company of Chicago.

Q. You knew his father, Anthony N. Brady, and C. K. G. Billings?

The Master: Suppose he was, what has that to do with it?

Mr. O'Brien: The point will become apparent as I go along.

The Master: Tell me the point now.

Mr. O'Brien: That the People's Gas Company of Chicago is at the present time assailing a similar statute in a rate case. The People's

Gas Company of Chicago, in which I do not know whether at this minute they have the interests but with which Mr. Billings and Mr. Brady have been connected, have made very advantageous contracts, and this year way down to three cents or three and a fraction, and I want to bring home to the company here the knowledge of this ability to make these contracts.

The Master: All right.

Mr. O'Brien: And find out whether these things were discussed in the executive meetings.

The Master: I said all right, go ahead. 12182

Mr. O'Brien: I think your Honor ought to assume as I go along that I have a purpose in every question.

The Master: I do assume that, but sometimes I do not agree that your purpose leads us anywhere. When I do agree with you, I will let you go ahead.

Mr. Ransom: This is hardly a trial of the complainant case for the benefit of Mr. Bemis.

The Master: Mr. O'Brien is right. If Mr. Brady, Mr. Sloan, Mr. Vanderlip and Mr. Addicks were directors of the People's Gas Company of Chicago, and knew the People's Gas Company of Chicago was getting gas oil from the Texas Company or the Mexican Company for two cents, it was their duty, probably, to see to it, if it could be done, that the Consolidated got as good a price. Mr. O'Brien has a right to see what they knew about it. 12183

Mr. Ransom: Your Honor's statement assumes so many facts—

The Master: I have got to assume it. Mr. O'Brien says he is trying to find out because he believes there is some connection. If there is not, that ends it.

Mr. Ransom: I will concede that every gas company in the United States that is charging less than $1.25 is attacking the rate for gas.

The Master: Go ahead, Mr. O'Brien.

Q. Do you know that Mr. Brady is a director of the People's Gas Company?

A. I do not understand that Mr. Brady is; I understand that his father, Mr. Anthony Brady, was at one time.

Mr. O'Brien: I know that up until recently they were affiliated with that company.

12185 The Master: Mr. Addicks has given you his information.

Q. Have not Mr. Billings and Mr. Brady been connected with the People's Gas Company within at least a short time?

Mr. Ransom: I object to the question. He has already given his knowledge on that subject.

Mr. Billings has nothing to do with this case.

The Master: How do I know?

Mr. Ransom: There has been no suggestion of it.

The Master: Is Mr. Billings a director of your company?

12186 The Witness: No.

Q. Has any of the executive committee, at formal meetings, or informal meetings, ever discussed the question of oil contracts made by any other companies in the country?

A. Now, or at any time in the past?

Q. Yes.

The Master: In other words, at any of these meetings formal or informal of the executive committee or of the board of trustees, was the question ever discussed of any other companies, and

the knowledge of any of the directors of what other companies were getting their gas oil for, at prices less than this company was getting it for?

The Witness: That question involves formal and informal meetings. It does not involve formal discussions at formal meetings. Qualified in that way, I think Mr. Anthony Brady has sometimes made some observation in regard to oil, and possibly in connection with the People's Gas.

The Master: Now, let us go one step further—

The Witness: I will not be positive about it, 12188
but that is the general impression I have.

The Master: Let us go one step further to get the record complete. Men associated as directors of a company frequently do meet informally at times and at places other than the place where they have their formal meetings. Have you ever heard any discussion of that in any such form?

A. No, sir, I have never been at any such discussions or any such meetings.

The Master: That covers the situation, Mr. Addicks thinks that perhaps on one occasion Mr. Anthony Brady adverted, perhaps, to the price paid by the People's Gas Company. Any other 12189
further questions on that?

Q. You do not recall the substance of the conversation?

A. No, I do not.

Q. I assume it was some years before, if it was Mr. Anthony Brady?

A. It must have been some years ago. He died in 1913.

Q. Do you know whether they ever brought up at executive committee meetings, or in informal or formal talk the attack being made by the People's

Gas Company of the statute there, or the litigation of the Municipal Gas Company of Albany, involving the rate in Albany?

The Master: That I do not care about.

Mr. O'Brien: Mr. Brady is in that company, too.

The Master: I will sustain the objection to that. I have allowed your question on the theory of knowing what other companies they were in were paying for gas oil, and that they might have brought up the question in some form in this
12191 company, and I was willing to hear what that discussion was, and what explanation was made by Mr. Addicks for the higher price, if it was a higher price, that this company was paying, that the People's Gas Company was paying.

Q. Mr. Addicks, do you remember whether Mr. N. F. Brady discussed the price being paid by the Municipal Gas Company at Albany for gas oil?

Mr. Ransom: I object to the question. He is confusing Mr. Anthony Brady, who has been dead for some time, with Mr. Nicholas Brady. There is nothing to indicate that Mr. Nicholas Brady ever discussed anything.

12192 The Master: The question asks whether he did. I will allow it.

Did Mr. Nicholas Brady ever discuss or make any statement with reference to the price paid by the Municipal Gas Company of Albany?

The Witness: I do not recall any.

Q. Did Mr. William Rockefeller ever discuss, or did he ever bring to the attention of the executive committee, the prices paid from time to time for gas oil by the Brooklyn Union Gas Company of Brooklyn?

A. I don't think so.

Q. The Brooklyn Union Gas Company is a very large concern, isn't it?

A. Yes.

Q. It is the second largest in the City of New York, I understand.

A. That is right.

Q. And their output runs up into many millions of cubic feet of gas per year?

A. That is right.

Q. Now, did you ever bring up before the executive committee or did any other member, cause a discussion or bring any information as to the rebate, or the modified price of the Brooklyn Union Gas Company during the years 1915, 1916, 1917, 1918, or 1919? 12194

A. No, sir.

Q. Did Mr. Rockefeller refer to the Brooklyn contract in any way?

A. I never recall any such reference.

Q. Are you aware of the connection between Mr. William Rockefeller and the Brooklyn Union Gas Company?

A. I have always understood that he was intimately connected with the Brooklyn Union Gas Company.

Q. And the dominant factor in it?

A. I don't know the factor he is, but I know his connection with it.

Q. And it has been a matter of general knowledge in the city, has it not, that he is a very large shareholder in the Standard Oil of New York? 12195

A. Yes, that is true—of New York? I don't know about New York, but as he was a large stockholder in the original New Jersey Company, he must be interested in the New York Company by necessity.

Q. Is Mr. Vanderlip connected with the National City Bank?

A. I understand he resigned from it.

Q. Does your executive committee name the depositaries of the funds of the complainant company?

A. Yes.

Q. And they direct the transactions of the complainant company, so far as all financial matters are concerned?

A. With the president and the executive committee.

Q. Now, is Mr. Moses Taylor still a director of the company?

A. He is.

Q. Do you know of his affiliations with other corporations?

A. I know he is affiliated with the Lackawanna Steel
12197 Company.

Q. The New York & Queens, he is president and director?

A. Yes, sir.

Q. And J. G. White Engineering Corporation?

A. That I do not know, if he is.

Q. The Franklin Iron Company?

A. That I do not know.

Q. Now, Mr. E. J. Berwind is a member of the board of directors still?

A. He is not, and never was, to my knowledge.

Q. Perhaps I am in error; I confuse that with another corporation. Still, he is in the family, you do
12198 business with him? Your bituminous coal contracts are with his company?

A. Yes, sir, that is right.

Q. Do you know of his affiliations with other corporations?

A. No.

Q. Did you ever know?

A. No. I only know him as an ex-navy man.

Q. You don't know the coal companies he is affiliated with either?

A. I do not. I know the coal company, the Berwind & White Company.

Q. Do you know the affiliations of Mr. Williams, of Williams & Peters?

A. No, I don't know Mr. Williams.

Q. You know he is a member of that coal firm with which you do business?

A. I understand so, through Mr. Gawtry.

Q. Don't you inquire into these little details when they come up before the executive committee?

A. I? No.

Q. Are we to understand that your duties with the executive committee are purely perfunctory?

A. No. I take the coal contracts down that Mr. 12200
Gawtry submits, and I take them to the executive committee and submit them.

Q. Then you don't want to be held responsible in any degree for the discretion used in the matter of coal contracts?

A. I have no duties in connection with the executive committee, and I haven't a vote in that committee.

Q. You haven't a vote?

A. No, sir.

Q. But you express yourself there, do you?

A. I express myself in connection with those matters that I take down to the executive committee, and 12201
I express myself as to the requirements of the company.

Q. On coal?

A. On coal, yes, I would naturally do that. I look over the engineering requirements sometimes on coal, to see how much coal would be required.

Q. You are not fettered, are you, by reason that you haven't a vote in the executive committee?

A. I am not fettered?

Q. Yes.

A. I don't know whether I am fettered or not; I don't feel that I am fettered.

Q. I mean is there any restriction on you? Do you discuss all these matters?

Q. Nothing has ever intimated to me that I should not discuss matters, and I would discuss matters with perfect freedom.

Q. You take part in the discussion of all of these contracts?

A. Everything I present to the executive committee I discuss very freely.

Q. I mean everything that comes in, not only oil contracts—

12203 A. It all goes through me, unless the president takes something down.

Q. If you thought there was good reason why they should not make a contract you would not hesitate to say so?

A. I would not hesitate for one minute.

Q. And you have not hesitated?

A. I have had no occasion to. I will qualify that—

Q. You differed with them?

A. I have had occasion to say that I would not make a contract with a certain party.

Q. Did they adopt your view?

A. I don't think a contract was made with that

12204 party if I called their attention to certain features, that I did not think they could perform their contract.

Q. Are you talking about everyday practice, or about a specific instance?

A. I am talking about an everyday practice. I may take six or eight matters down to the executive committee and there may be two or three bidders, and I may tell the executive committee what I think of a particular bidder, if information had come to me.

Q. Have you ever said to Mr. Rockefeller in bringing in these oil contracts, the price you got from T. J. Williams, have you ever said to Mr. Rockefeller that you ought to keep that price down?

A. No, I have said that I thought we ought to get a certain price.

Q. Have you ever put up an arguement with him that the price ought to be much less than it is?

A. I have put up arguments that we ought to have a lower price

Q. With him present at the meeting?

A. At the executive committee and with him present.

Q. Did it have any effect on him?

A. I have been pretty successful in getting reductions in the price of oil. 12206

Q. You mean through Mr. Rockefeller after you called it to his attention?

A. I mean after making a statement to the executive committee I have been very successful with Mr. Williams in getting the price of oil reduced. I got my reductions through Mr. Williams and not through the executive committee.

Q. I mean, have you made effective the presence and personality of Mr. Rockefeller at executive committee meetings?

A. You mean did I address myself to Mr. Rockefeller?

Q. Have you said to him directly, through his 12207 interest in the Standard Oil of New Jersey, that you ought to have a better price?

A. I don't think I ever said to Mr. Rockefeller that I thought we ought to have so and so, I said it to the executive committee.

The Master: What I think Mr. O'Brien means to ask is this: Have you ever appealed to Mr. Rockefeller over Mr. Williams?

The Witness: No.

The Master: Is that what you wanted?

Mr. O'Brien: Yes.

The Master: Then why not say so.

Q. Have you ever appealed to Mr. Rockefeller over Mr. Williams?

A. Not in that sense, no, sir.

Q. In any sense?

A. No, sir. I have made my statement before the executive committee, and I am talking to the members of the executive committee and not to Mr. Rockefeller.

Q. I hand you an advertisement from the Evening Sun of October 3rd, of the Standard Oil Company of
12209 New Jersey, giving their net earnings after deductions of Federal Taxes, and giving the amount of their capital stock and preferred stock, and ask you if you have seen that?

Mr. Ransom: I object to the question as immaterial.

The Master: I will let the witness answer that question.

Mr. Ransom: As to whether he has seen it?

The Master: Yes.

A. I have.

Mr. O'Brien: I will ask that it be marked for
12210 identification.

The Master: I will not let it be marked for identification. It is sufficiently identified as an advertisement in the Evening Sun.

Q. Are you acquainted now with the financial standing of the Standard Oil Company of New Jersey?

Mr. Ransom: I object to the question as immaterial.

The Master: It is not entirely immaterial, because it is very material as to whether it was of such financial standing and has such financial resources that it could fulfill contracts made with

this company. I will therefore allow this question.

Mr. Ransom: Not unless the defendants will claim that this complainant made a contract with a financially irresponsible company.

The Master: No. I don't care about a claim, I am going to let Mr. Addicks answer this question.

Have you familiarized yourself with the general financial condition of the Standard Oil, Mr. Addicks?

The Witness: I have known of the power and 12212
financial standing of the Standard Oil Company for a great many years.

Q. You have been pretty well acquainted with the earning capacity of the company with the earnings?

Mr. Ransom: I object to the question as immaterial, so far as its earnings are concerned.

The Master: I am going to allow that, too.

Mr. Ransom: Exception

A. I have understood always that the Standard Oil had very large earnings.

Q. By very large do you mean over six per cent or seven per cent?

Mr. Ransom: I object to that on the grounds 12213
already stated.

The Master: Objection sustained.

Q. By very large do you mean—

The Master: He means what it means to everybody in this country who reads a newspaper, what everybody understands to be very large.

Mr. Ransom: We will concede that six per cent is very small.

Mr. O'Brien: Well, your Honor, it might be illuminating to have the witness's idea of very large.

The Master: I would rather get to the gas illumination.

Q. You have been aware of that fact right along during the period that you have made contracts with the Standard Oil of New Jersey?

The Master: Objection sustained as having been already answered.

Q. Did you ever use the profits of the Standard Oil Company of New Jersey, and its acknowledged prosperity, as an argument with Mr. Rockefeller that he ought to sell oil for a much less price than was paid
12215 by the complainant company?

Mr. Ransom: I object to the question.

The Master: I will let him answer that.

A. No, sir.

Q. Did anybody in the executive committee ever approach Mr. Rockefeller with such an argument?

The Master: You will probably get very far with that argument.

Mr. Ransom: Especially when this company was getting oil cheaper than the other companies.

Mr. Chambers: That is not the fact.

Mr. Ransom: That is the fact.

The Master: I don't care whether it is or is
12216 not, but you would never get anywhere talking to Mr. Rockefeller on the basis of how much money he is making, as to what he charges for oil. He would tell you it was none of your business, it is a question of how much they can get for it, how much gasoline and other stuff they get out of it, and how much they want for it.

Q. Did you ever get a lower price from Mr. Williams, the sales agent of the Standard Oil of New Jersey, after discussing the matter in the executive committee with Mr. Rockefeller?

A. I have.

Q. In what instances?

A. I do not recall; I think I have a number of times. I have indicated what I was going to try to get, and I very frequently have gotten it; sometimes I have not.

Q. Do you think the word went back from Mr. Rockefeller to Mr. Williams to give it to you?

A. I don't know anything about that.

Q. Did you judge it that way?

A. I did not judge it.

Q. It followed, did it? Was there any other intervening circumstance after the meeting of the executive committee, where the matter was taken up 12218
with Mr. Rockefeller, to which you might ascribe the action of Mr. Williams as a cause?

A. I don't know whether that was the action of Mr. Rockefeller or not. Sometimes I plumed myself that it was my own efforts. Whether it was so or not, I do not know.

Q. You mean you talked Mr. Williams into giving you a better price?

A. I have indeed.

Q. What was the kind of argument you used, what was the weapon that was effective?

A. Well, I have used so many arguments—

The Master: Let us have some of them. 12219

The Witness: I will give you some if you want them. I have some memoranda of the argument.

Q. You are refreshing your memory, are you, Mr. Addicks?

A. Yes, sir, I shall have to do that. Referring to the negotiations in 1916 for the 1917 contract, I took up the matter with Mr. Williams, prior to July 27th. He informed me that in 1917 the Oil Company must be in position, if they saw fit, to furnish oil of about 36 Beaume in lieu of the oil heretofore fur-

12220 Walter R. Addicks, Cross.

nished. He informed me that the current price for gas oil was 5.25 at the refinery, but they were willing to contract for 1917 at five cents. The published quotation of the oil at that time was what I read into the record yesterday for crude oil as of July 27th. I told Mr. Williams we would have to have manufacturing sample of the new grade of oil for practical test. On July 28th I asked for bids. The only company of the three companies enumerated above that replied to my inquiry, was the Sun Company, which quoted 5.25 per gallon, but limited shipments to one million gallons
12221 a month, and our requirements amount to as much as 10,705,257 gallons.

The Master: Let me interrupt you, Mr. Addicks. You are getting away from the question Mr. O'Brien asked, which was, what argument you used with Mr. Williams to induce him to reduce a price previously quoted. I notice you had reference to the quotations on crude oil.

A. Yes, sir.

Q. Was that the argument that you used with Mr. Williams?

A. This was my statement to the president in regard to it.

12222 Q. What Mr. O'Brien asked was, what argument you used with Mr. Williams. Did the price of crude oil enter into the discussion with Mr. Williams?

A. I am coming to that. On September 28th, published quotations for oil are as follows: I had observed in the public prints statements that the indications were that advances in the price of oil were imminent. I therefore called on Mr. Williams on September 28th and September 29th. I made this proposition to him, that I would recommend to our executive committee the making of a contract for oil at 5 cents at the refinery for such part of 1917 as required, if the oil

company would permit the gas company to use any oil in excess of the actual amount used during the contract period ending December 31, 1916, up to the stipulated contract use of 275 million gallons at 3 cents a gallon. This proposition was declined.

The Master: In other words you figured that you would not have absorbed all of the 275,000,000 gallons for 1916?

The Witness: We had about 25,000,000 gallons.

The Master: And you wanted to use that up in 1917 at 3 cents, before you started to take in 12224
1917 oil at 5 cents?

The Witness: Yes, sir.

The Master: That he would not do?

The Witness: That he would not do. "I then proposed the delivery of oil as above up to 275,000,000 gallons at three cents and the purchase of say 100,000,000 gallons at five cents at the refinery, deliveries to commence after the 275,000,000 gallons at three cents were exhausted. This second proposition was declined. Mr. Williams drew my attention to the fact on September 28th that I had overpurchased oil and from this fact our average price for oil for the past 12225
two and one-half years was lower than if I had rightly judged our requirements." In other words the effect of that was that in the contract of the two years before, if I had taken the actual amount we did use at the two and a half cent rate I would have had a higher rate than my estimate for those two years at the two and a half cent rate. We did not use as much oil as I figured we would use during that period, and therefore I got that much benefit on the previous contract.

By Mr. O'Brien:

Q. Right there, how did you come to fall down on your estimate of the amount that you were going to use?

A. I had to look ahead, Mr. O'Brien, for several years, and estimate what everybody was going to use in the City of New York in burning gas for that period of time. My estimates at times are very accurate. In this case I was 25,000,000 gallons short.

Q. In other words, you had it on hand?

A. No.

12227 Q. You were short?

A. The people did not burn the gas. We were short in the gas sales.

Q. They were burning more electricity?

A. Well, I don't know what they were burning, but they were using less gas. Commercial conditions in good or bad times have an effect on the use of gas.

"On September 29th, I gave Mr. Williams a computation (see Exhibit 2) showing that 272,459,690 gallons would have been used by the gas company up to December 31st, 1916, had the sales of gas been what was usually provided for. I called his attention to the fact that heavy losses in sales had been experienced

12228 and we therefore would not get the benefit of our trade in 1914 if the oil company did not deliver the balance of the oil after the expiration of the contract period ending December 31st, 1916.

"On September 28th, the press reported the price of Penn. oil at the wells advanced nearly 24 cents per gallon. While I have attempted to reduce the average price of oil in 1917, by my propositions above, the undelivered oil under the contract ending December 31st, 1916, may be as much as 25,000,000 gallons or one quarter of the probable requirements for the year 1917"—

Keep in mind that when I made this computation was before the expiration of 1916. This is addressed to our president: "I must in fairness say that the oil contract of July 1st, 1914, was intended to meet our requirements from July 1st, 1914, to December 31st, 1916, and no more, but as a clause in our contract (see Exhibit 3) makes it possible for the oil company to insist upon the gas company taking the undelivered quantity, it was logical that I should endeavor to get the right to take this oil as the price of oil had advanced from 3 cents per gallon to 5 cents per gallon. I would of course have endeavored to avoid taking the oil if 12230 the gallon price were less than 3 cents.

"As we have delayed making the 1917 contract during the period of falling market between July 27th, and September 28th, and as the public press predicts a rising market and as the price of oil at the wells is beginning to actually advance and as my observation is that oil prices are frequently highest about January 1st, of each year, I am convinced that a contract should be entered into as early as practicable."

Q. You need not go any further along that line.

A. Wait a minute.

Q. I thought you were going to get to the potent 12231 argument you used with Mr. Williams. I do not want these bouquets you are throwing at yourself, Mr. Addicks.

A. I am not throwing any bouquets at all, Mr. O'Brien. I want to say I carried the question so far that Mr. Williams asked me—he called me up and asked me if I thought I had an option on that oil, that they had to make their arrangements and I had to get to a decision.

Q. You mean on the 25,000,000 gallons still undelivered?

A. No, I mean on the supply for the following year. That was for the year—

Q. There was 25,000,000 at that time undelivered under the existing contract, was there not?

A. You would not use the 25,000,000 that year under the existing contract, and the result of that was I did get my oil at a flat five cent price instead of the five cents and transportation added.

Q. What time was that?

A. That was for the year 1917.

Q. Do you know what the Brooklyn Union was
12233 paying for it under their contract then?

A. 1917?

Q. Yes.

A. You mean the unexpired contract during the year 1917?

Q. Yes.

A. Well, I did know, but I do not recall the amount now.

Q. Did you use that argument with Mr. Williams?

A. I used an equally potent one, I think.

Q. You have not mentioned an argument yet that you used with Mr. Williams.

A. Here is a memorandum "Called on Mr. Williams
12234 on November 9th, and endeavored to get a price of five cents delivered. Quoted fact that the Mutual Company was receiving this price. Made no headway. Called Mr. Williams on the telephone May 10th, and again requested a five cent rate."

The Master: May 10th?

The Witness: Friday, the 10th. Not May 10th, but Friday, the 10th. "Called Mr. Williams on the telephone Friday, May 10th, and again requested a five cent rate, saying that Mr. Cortelyou felt we should receive rate. Was refused. So closed contract verbally as to price, the quality

to be required for insertion in the contract on Monday." I then in my last interview did succeed in getting the five cent rate.

The Master: Flat?

The Witness: Flat.

Mr. Ransom: Without transportation?

The Witness: Well, not without transportation; it was simply our rate should be five cents delivered and no question of transportation.

Q. Were you aware at the time you carried on that discussion with Mr. Williams what the Brooklyn Union Gas Company were getting from the Standard Oil of 12236
New York in the shape of consideration?

A. How do you mean in the shape of consideration?

Q. I mean in the abrogation of an existing contract?

A. Of some prior date?

Q. Yes.

A. Well, I knew of some prior date and some contract some years before, where they had some adjustments.

Q. Were you aware at that time of the price that was being paid for oil by the Kings County Lighting Company, which is controlled by Mr. Brady, one of your directors? 12237

The Master: I will strike out so much of the question as says "which is controlled by Mr. Brady, one of your directors."

Mr. O'Brien: The witness knows the situation, your Honor. I would not use it if he did not.

The Master: I do not know that. There is no proof of it and I will not permit it in the question.

Q. I will ask the question, did you know Mr. Brady's connection with the Kings County Lighting Company, Mr. Addicks?

A. I understand that Mr. Brady controls the Kings County Lighting Company. I had very full knowledge prior to this date of the prices being paid by all companies, because this was the year in which the Public Service Commission made an investigation of all contracts of all companies. I had very full information at that time.

Q. Were you posted on the price that was being paid by the Public Service Corporation of New Jersey to the Gulf Refining Company?

A. No, I do not think I was.

12239 Q. Did you ever know anything about that price and the terms of that contract?

A. I don't think I did.

Q. Have you ever carried on discussions with Mr. Lyon or anybody else connected with the Gulf Refining Company, outside of these brief little missives that you sent?

A. Of the Gulf?

Q. Of the Gulf, yes.

A. I don't think I have, with the Gulf. Oh, yes, there is one there. You say a brief missive in 1914.

Q. I am referring to the two line letters that you sent, or cablegrams, to the Sun Company?

12240 A. In 1914, we had a price from the Gulf Refining Company at 4 3/4 cents for oil to the amount of 40,000,000 gallons, when we made our contract for oil. I mean to say 3 3/4 cents, when we made our contract for three, at the time of the previous contract.

Q. Well, now, did you ever attempt to use with Mr. Williams the argument that Mr. William Rockefeller was of the executive committee and Board of Directors of the Consolidated Gas Company, and that you ought to have the price because of that fact?

Mr. Ransom: How much better than the average price did you have it?

The Master: Don't interrupt, Judge Ransom. Did you ever use the argument with Mr. Williams, Mr. Addicks, that he ought to give you a better price because Mr. Rockefeller was on your Board of Directors?

The Witness: No, sir.

Q. Did he ever mention Mr. Rockefeller's connection with the Standard Oil Company of New Jersey?

A No, sir.

Q. Did you ever mention Mr. Rockefeller's connection with the Standard Oil Company of New Jersey? 12242

A. No, sir.

Q. Did you ever mention Mr. Rockfeller's connection with the Standard Oil Company of New Jersey, in any of your discussions about oil contracts with Mr. Williams?

A. I don't remember doing so, sir.

Q. Do you know whether anybody connected with the complainant company entered into any arrangements with or contracts or agreements with the Standard Oil Company outside of the contracts that you have mentioned, and which have been put in evidence here?

A. I don't quite understand the question. Will you repeat it?

12243

(The question was repeated by the stenographer.)

A. No.

Q. When the contracts in 1916, were made for the year 1917, did the executive committee act on the assumption that we were going into the war—the United States?

A. What year is that?

The Master: The latter part of 1916?

The Witness: We were going into the war?

The Master: Yes.

12244 Walter R. Addicks, Cross.

The Witness: I don't remember any such thing.

Q. You wrote in your memorandum there, in your memorandum for the president of the complainant company, that the public press indicates a rising market?

The Master: For crude oil?

Mr. O'Brien: In oil.

The Master: For crude oil?

Mr. O'Brien: Crude oil, yes.

Q. Was it your idea at that time that the market was
12245 rising because of the probability of the United States being engaged in the conflict?

A. I do not remember at this time whether that was my idea or not.

Q. Wasn't it a fact that long before 1917, they were exporting oil?

A. Yes.

Q. What influence did that have on your making contracts?

A. Their exporting oil?

Q. Yes.

A. What influence did it have on me in making contracts?

12246 Q. Yes. I am talking now about you officially, and what you did in connection with contracts?

A. I don't understand that question.

Q. I am trying to get what your mind was, from the time that the war opened in 1914, and what your idea was as to your duties to the complainant company in the matter of oil contracts. I am trying to get a reflection of what was in your mind in 1916, as to the year that was ahead of you, 1917?

A. I faced in 1916, an increased price of oil, and it was in my mind to contract for oil for not exceeding one year, for a supply at those high prices.

Q. Then, crystalized, your judgment was at that time that discretion dictated your making a contract not longer than a year?

A. I think that is right.

Q. At the then price?

A. I think that is right.

Q. Well, now, can you say whether it was predicated on the idea that the United States would be involved in the war, and that oil in some of its forms would be in demand?

A. No, I can't say that I predicated it on the fact of our being at war at that time. 12248

Q. Wasn't there an incline from 1913, on in the price?

A. No, there was a falling off in the price in six months.

Q. In what time?

A. The contract was abrogated in the course of six months and made at three cents.

Q. You mean the 1917 contract?

A. The 1914 contract.

The Master: That was made in 1913.

The Witness: Pardon me. I am wrong in that. There was an increased price. That is right. 12249

The Master: When?

The Witness: There was a continually increased price until—

The Master: After the drop in 1914?

The Witness: After the drop in 1916, there was a continual rise until 1919, the first part of 1919.

The Master: Your prices dropped about the 1st of July, 1914?

The Witness: That is right.

The Master: To two and one-half cents?

The Witness: Yes.

The Master: And that averaged your price about three cents?

The Witness: Yes.

Q. That was from April to July, 1914, wasn't it?

A. You are right.

Q. And then the war broke out in Europe, in August, 1914?

A. Yes, that is right.

Q. And that affected the cost of materials generally, didn't it?

12251 A. Yes, and advanced the price of oil up to five cents in this case.

The Master: The low ebb of business was in the spring of 1914, that is when things were low, everything was low, isn't that so?

The Witness: I think everything was low.

The Master: Just before the war broke out?

The Witness: Yes.

Q. Labor was very low at that time, you recall, Mr. Addicks, don't you? Labor as well as material?

A. Labor was very low.

The Master: It was the days when everything was in very bad shape, the spring of 1914, and

12252 immediately after the outbreak of the war, or shortly afterwards, the prices of some materials, like steel and oil and other things, started to go up?

The Witness: That is right.

The Master: And they kept going right up to date?

The Witness: Yes.

Q. Was that beginning in 1914?

The Master: Your complaint is that this company did not contract up for ten years in the spring of 1914?

Mr. O'Brien: Well, now, your Honor, that is not a guess just now.

The Witness: In the spring of 1914? The spring of 1916.

The Master: In the spring of 1914, you contracted for about two and one-half years.

The Witness: For two years.

The Master: Well, as I understand it, Mr. O'Brien complains you did not make it for ten years.

The Witness: Well, I think I testified yesterday that I made it for as long a period as I could 12254
get.

The Master: Yes, but that does not satisfy Mr. O'Brien's complaint. He still complains you did not make it for ten years.

Mr. O'Brien: Well, now, your Honor is interpreting.

The Master: Am I not correct in that?

Mr. O'Brien: No, I am on another lead just now. I am not talking about the terms of contracts. I have got another theme in my mind.

The Master: Go ahead.

Mr. O'Brien: I am trying to get just what the basis of this man's judgment was in all that period, 12255
if he had one.

The Witness: My judgment at that time?

Q. You are talking about the spring of 1914?

A. No, I am talking about 1916, now, that we were talking about before, for 1917. My judgment was that we should not make a contract for longer than one year.

The Master: Why?

The Witness: Why, because the price of oil had advanced up to five cents.

The Master: And did you suppose it would go down before another year?

The Witness: At that time I thought the war in Europe was a very uncertain proposition.

The Master: Did you feel that the war would be over by the end of 1917?

The Witness: At that time?

The Master: Yes.

The Witness: I remember distinctly after we entered the war I thought the war would be over by the end of 1918.

The Master: Well, so did I.

The Witness: But in 1916—

12257 The Master: You see this question really involves the other question that Mr. O'Brien asked you.

The Witness: Yes.

The Master: Because if in the fall of 1916, you contemplated we were going to get into it before another six months, then your judgment would have been that we would not be out of it for another year and a half or more. If you thought the war was going to be over by the end of 1917, you could not have figured we were going to get into it by the spring of 1917.

The Witness: No, I do not think I could have

12258 figured it that way, because the effect of the war might have stopped us making shipments to Europe, or it might affect it the other way.

The Master: Yes.

The Witness: And on the other hand, the supply of the English Fleet with oil would have its effect, certainly, in the use of naval vessels. I certainly contemplated that there would be an increased use of oil in naval vessels, which would affect the supply, but I did not think, in fact I know I did not visualize at that time, the price that oil would go to.

The Master: Well, is it a fair statement that in the fall of 1916, you felt that oil had gotten about as high as it would get, and that the probability all was that the European conflict would be ended before the end of 1917, so that the price of oil would get back somewhere to normal?

The Witness: Yes, because otherwise if I had visualized this advance, I would certainly have endeavored to get a longer term contract; there is no question about it.

The Master: And you are clear about that because you did not try to get more than one year? 12260

The Witness: I do not think I tried to get more than one year.

The Master: You did not have in mind getting a longer contract?

The Witness: I do not think I did at that advanced price.

Q. What did you have in mind in July, 1914? Wasn't it a good time to buy?

A. Why, then it was. When, in July, 1914?

Q. Yes.

A. Oh, yes, that was a good time to buy, sure.

Q. Wasn't it pretty near the bottom?

A. That was the bottom, and I got the two-year 12261 contract.

Q. And it looked like the bottom to you then?

A. It certainly did.

Q. And then you proceeded there to get the best contract?

A. I proceeded to get the best contract I could for the longest period.

Q. And how long did you say the term was?

A. Two years, two and one-half years.

Q. And that was the best you could do?

A. Yes.

Q. And even with Mr. Rockefeller's influence?

A. That is the best I could do, sir.

Q. There wasn't anything to prevent you getting more oil from somebody else for a longer term at that time, was there?

A. To prevent me getting oil from somewhere else?

Q. Yes, sir.

A. You mean in 1917?

Q. Yes, sir.

The Master: 1914.

The Witness: 1914.

12263 Q. Mr. Higgins would have given you all you wanted, wouldn't he, at that time?

A. Why, Mr. Higgins, the Standard Oil Company of New York buys their oil from the New Jersey Company.

Q. I don't care where they buy it. I want a direct answer.

A. And they can't get it unless the New Jersey sells it to them. They can't get it unless the New Jersey sells it to them, all the oil they need to supply us. I know that absolutely as a fact.

Q. Just say that again.

A. I say if the Standard Oil Company of New York
12264 had a contract with us, the Standard Oil Company would have to buy from the Standard Oil Company of New Jersey.

Q. In other words, in doing business with one, you are doing it with the other?

A. No, I mean this—

Q. Is that what you mean?

A. I mean this. Let me say what I mean. I mean that when we contracted, after the dissolution of the Standard Oil Company of—the large aggregation, the Standard Oil Company, take it as a general term, and it was broken up, we went and dealt with the parent

company, where they could supply all our requirements, instead of dealing with the Standard Oil Company, where the Standard Oil Company would have to be a middleman to some extent.

Q. With a middleman's profit?

A. To some extent. I don't know what their profits would be, but we dealt with the primary company.

Q. Are we to assume from that that you considered it useless and futile to do business with the Standard Oil Company of New York?

A. No, I don't say that.

Q. And when the Standard Oil Company of New 12266
Jersey said they would not give you any longer than a two-year contract, it would not do you any good to go and see Mr. Higgins of the Standard Oil Company of New York?

A. And ask him for a long time contract?

Q. And ask him to sell you some oil for long contract?

A. Well, I did not do it.

Q. Was that the reason that you did not do it?

A. We had a bid from another concern.

Q. Answer the question.

A. No, I won't say that.

Q. Is that the reason you did not go to see Mr. 12267
Higgins of the Standard Oil Company of New York?

A. No. We had a bid at that time for forty million gallons from another company at 3-3/4 cents.

Q. What other company?

A. The Gulf Refining Company.

Q. As against what price from the Standard Oil Company of New Jersey?

A. Three cents—2-1/2 cents for the two years.

Q. Did you ever take that up and discuss it with the head of the Gulf Refining Company?

A. No.

Q. You did not assume, did you, that the mere letter they sent you was the final figure that they wanted to offer you?

A. Well, the letter is here, if you would like to see it.

Q. No, don't evade my question. I am asking a question, and I want your answer.

A. That letter was for prompt acceptance, as I recall the terms of it.

Q. Well, when you send a two line letter to a company, that is selling oil, and they come back with an
12269 answer, you consider that it is business like to let the matter drop there and not go any further?

Mr. Ransom: I object to the question. There hasn't been any two line letters sent. Most of these letters have been full page letters.

The Master: There was one year that the letter was very short.

Mr. Ransom: Not for 1914, it wasn't.

The Master: That I don't remember.

Mr. Ransom: Length is not of merit except in Mr. O'Brien's questions.

The Master: Have you got the 1914 letter here?

12270 The Witness: No, sir.

Mr. O'Brien: Well, the length of it I don't know.

The Master: What is your attitude now, that the length does not cut any figure?

Mr. O'Brien: In this particular question, the length is not the vital proposition.

The Master: Well, then, suppose you strike out your expression, "a two line letter."

The Witness: I said that the company had received this letter. I personally did not get this particular bid.

Q. Who got the bid, Mr. Addicks?

A. Mr. Carter.

The Master: Was that in answer to a request for a bid?

The Witness: Yes.

The Master: But you haven't got the letter?

The Witness: I have the letter. I haven't got the letter of inquiry, but I have the reply.

The Master: I mean the letter of inquiry.

Q. Was Mr. Carter at that time trying to negotiate the contract?

A. No, but I think I was absent, and he asked for 12272
this figure.

Q. And he asked for a figure?

A. Yes.

Q. Do you know whether he followed it up or not?

A. No.

Q. With personal interviews and the usual negotiations that are gone into?

A. No; he referred the letter to me.

Q. Did you follow it up with any kind of argument, such as you used with Mr. Williams of the Standard Oil Company of New Jersey?

A. No; because I had a very low price. 12273

Q. Were you aware of the fact that they were making long term contracts, the Gulf Refining Company at that time?

A. No.

Q. Then, specifically, you were not aware, at the time of the contract that they had made with the Public Service Corporation of New Jersey, which contract still holds?

A. Well, you are assuming it was made at that time. I did not know the fact that it was made at that time, nor do I know it now.

Q. You do not recall it having been brought out at the investigation of the Public Service Commission, the knowledge of which you have already stated?

A. 1914?

Q. Yes.

A. No.

Q. What efforts, outside of reading the Journal of Commerce or some trade papers, what efforts do you make to keep posted on what is going on in all these companies?

A. Well, I hear from time to time what people are
12275 paying for oil, but that being—the deciding matter in all oil matters is the price of crude oil at the time the contract is made, and the fact that any other contract made at any other time—I don't know of any quotations that would be of any value at that particular time.

The Master: That brings me to the inquiry I made before.

Mr. O'Brien: And a very sensible inquiry you made, your Honor, if the witness would give us a direct answer.

The Master: It is very amusing how you agree with me when I happen to think your way.

12276 Mr. O'Brien: It brings me back to the inquiry I made before. You say it depends on the quotations for crude oil. Suppose crude oil is quoted at four cents a gallon; what, in your judgment ought to be the price of gas oil?

The Witness: I cannot give you that, your Honor, but I can only say that if the price of crude oil is going up we would expect to pay a higher price for oil; if the price of crude oil is going down, we would expect to pay a lower price at the time we were making our contract.

The Master: Is there any way I can deter-

mine what relation the price of gas oil has to the price of crude oil?

The Witness: I do not know of any.

Q. You think they do not move together, do you?

The Master: Yes, he says they do move together, up or down.

Q. Well, take the last year. Crude oil at the wells has been stationary, hasn't it?

A. Oh, my, no.

Q. What?

A. No.

The Master: What has been the range during 1918 and 1919 of crude oil? 12278

The Witness: In the beginning of 1918 it was—Pennsylvania crude was 8 3/4 cents about, and it rose—

Q. Eight dollars and what?

A. 8 3/4 cents per gallon, and it rose about 3/4 of a cent, then it did continue uniform until July of this year, when it has gone up another 3/4 of a cent.

Q. Now, get over into the other fields, will you?

A. And North Lima crude was slightly under five cents, and went to 5.6 about, then it did remain stationary until about the first of September, where it 12279 has gone up about—a little over one-quarter of a cent.

The Master: How about that Standard White?

The Witness: The Standard White has gone from 6 1/2 cents in April, 1918, to 12 1/2 cents in August, 1919, and then it has dropped one cent to 11 1/2 cents within a few days.

Q. What is that, Lima?

A. No, that is Standard White.

Q. Well, now, Mr. Addicks, haven't you got here

the figures of the Oklahoma fields and the Texas fields?

A. No, I haven't those.

Q. Don't you know that for a year it has been stationary, crude oil, at about $2.25 a barrel?

A. Well, that is fairly stationary in there, you are right about that. I have in mind the other curve, the Standard White.

Q. Do you know where the Standard Oil Company of New Jersey buys its oil?

A. I understand it gets its oil from a great many

12281 fields.

Q. Yes. In fact, it is pumped here, isn't it, to Bayonne, from as far as Oklahoma?

A. I think it must be.

The Master: Do the pipe lines run all the way out there?

The Witness: Yes.

Q. Right down to Constable Hook?

A. I think they do, down to Bayonne.

Q. And when they sell you oil under these contracts, they do not guarantee that it comes from the Lima fields or Pennsylvania fields or Oklahoma fields or Texas fields, or from Mexico?

12282 A. Or from Mexico.

Q. It may come from many sources?

A. Yes, sir. As I stated yesterday, that was the reason for the provision in the contract that I made with the Standard Oil Company that they insure the quality equal to the quality we had used before, so as to insure us against not getting qualities of oils that would be inferior.

Q. Now, Mr. Addicks, referring to the prices that have obtained since the armistice, what have you done to keep tabs on the market?

A. Since the armistice?

Q. Yes.

A. My contract was made immediately following the armistice.

Q. Why did you enter into a contract immediately following the armistice?

A. Because my contract expired, the contract for 1919 was entered into in 1918, and I foresaw, looking ahead to what might happen, there were two things that influenced me. First, there might be a very large quantity of oil on this market, in which case the price of oil would fall. On the other hand, I was fearful that labor conditions might increase 12284
the price of oil, and I therefore went to the Standard Oil Company and asked them for a six months' contract, and asked them for a year's contract. After I had gotten them to agree to give me a six months' contract and a year's contract, I then said, "Well, now, if you are willing to give me a year's contract and are willing to give me a six months' contract, why won't you give me six months' and a year's contract with the privilege of cancellation?" After a very—quite a long period of time, of course I got these bids that you know of, after quite a long time I succeeded in getting that cancellation clause which permitted me to cancel the contract as of July 1st 12285
on six days' notice.

Q. Don't you know as a matter of fact, Mr. Addicks, that you could have gotten that arrangement by just saying the word to Mr. Higgins of the Standard Oil Company of New York?

A. That I could have gotten that arrangement by saying it to Mr. Higgins?

Q. Yes, sir.

A. No, I do not know that.

Q. Don't you know or have you posted yourself on what other companies have gotten from Mr. Hig-

gins in their purchases for the year 1919? Well, you do not need to turn all those pages to answer that question, do you?

A. Wait a moment.

Q. This is not the dusty past.

A. This is what Mr. Higgins said at that time: "I beg to acknowledge your esteemed favor of the 10th inst."—the letter I sent to him was identical to the other letters—"in regard to a supply of oil for the plants of the Consolidated Gas Company of New York.

12287 "I was greatly pleased to receive your inquiry as nothing would be more gratifying than an opportunity to bring about a resumption of our former pleasant business relations. With this thought in view, I have made every possible effort and have carefully canvassed the possible sources of supply but without success.

"The increased call and demands upon us by our regular customers, together with our other commitments, which we must meet, makes it impossible to secure a supply which we could offer you for the coming year.

12288 "Much as we would like to care for the business we are reluctantly compelled to admit that we cannot buy a sufficient quantity to meet your demands.

"Again regretting the situation I beg to remain, with kindest personal regards, yours very truly, C. M. Higgins."

Q. Right on that point, will you tell me, Mr. Addicks, in the face of the statement you made a minute ago as to there being a middleman, if the Standard Oil Company of New Jersey—as to their not being able to do anything that the Standard Oil Company of New Jersey could not do, why did you write them any kind of a letter asking them for a bid?

A. I did not say they were a middleman for the Standard Oil Company of New Jersey. I said they would be a middleman for us, as between the Standard Oil Company of New Jersey and ourselves.

Q. Then proceed to answer my question, having made that observation?

A. I wrote them so as to clear all the fields that I thought we would have of available supply. I had asked for bids from four other parties. I think it is four other parties. I asked bids from the Atlantic Refining Company and from the Sun Oil Company and the Texas Oil Company and the Tidewater Oil 12290
Company and the Gulf Oil Corporation, which is the same as the Gulf Refining Company, and I added the Standard Oil Company of New York just to make it complete.

Q. Just to fill in?

A. No, to make it complete.

Q. You knew the relations between the two companies, did you not?

A. I know of no relations between the two companies, except what existed many years ago.

Q. Didn't you know that Mr. Higgins has said under oath that he would modify any contract that he made for 1919?

12291

Mr. Ransom: I object to the question.

The Master: I am going to let the witness answer whether he knows he said it under oath. Just whether he knows if he said it.

A. I did not know he made that statement.

Q. Didn't you read his testimony in the Kings County case?

A. He could not do that for us, because we did not have any—

Mr. Ransom: I object to that as incompetent in form.

The Master: I will sustain the objection.

The Witness: Pardon me just one minute.

Mr. Ransom: No, just confine yourself to the—

Q. Well, give us your reasoning?

Mr. Ransom: The objection to the question is the same.

Mr. O'Brien: I will let Mr. Higgins rest for the moment.

Q. You know Mr. Higgins is a friend of gas companies?

12293 Mr. Ransom: I object to the question as incompetent in form.

Q. Were you not present at the Public Service Commission meeting where Mr. Higgins testified?

A. In 1919?

Q. In 1914, I think it was.

A. Well, you said 1919. We are talking about 1919.

Q. I am talking about his friendship for gas companies. Were you not present when he testified?

A. Well, I will just have to change my answer to you. I do know that Mr. Higgins did modify his contract for 1914, because he did modify his contract

12294 of 1914, as I recall it now, or made a similar contract with the Mutual Gas Light Company, but it was not before I made this arrangement.

Q. Mr. Addicks, were you not present in the Public Service Commission when Mr. Higgins testified?

A. Yes.

Q. In that oil investigation?

A. Yes.

Q. And where he says, they are our friends and we want to protect them all the time?

A. Yes, protect them in supplies, I understood that to mean. I understood that to mean—I remember

that and I understood that to mean to protect them in supply.

Q. No, he made it again in court under oath?

A. He said it again and again, he would protect them in the supply.

The Master: We are getting far afield.

Q. I will come back to the main road, Mr. Addicks, and ask you to just tell me now what was in your mind. You have given us the pro and con of the rise and fall of the market, as you saw it in prospect after the armistice was signed. You saw on the one side that industrial upset was possible 12296
with the rising prices, and on the other side that there would be a lack of demand and the price of oil would go down. What was your final conclusion that resulted in your making a contract?

A. My final conclusion was to protect this company absolutely, in either event.

Q. Play safe, was it?

A. Play safe, absolutely. And I did play safe, and the result has justified my judgment.

Q. Speaking about the result justifying your judgment, are you aware of the fact, Mr. Addicks, that the People's Gas Light & Coke Company of Chicago, which has been paying 6.05 for their gas oil on 12297
contracts made during 1917 and 1918 was able to make contracts after June, 1919, with several different companies for prices ranging from four cents down to and under three and a half, and in each case for quantities of from one to two million gallons a month, or enough to make as much water gas as is made by the Consolidated and Astoria Gas Companies of New York?

Mr. Ransom: I object to the question as argumentative in form and an improper way of endeavoring on the part of counsel—

The Master: You need not proceed any further. I will sustain the objection to that question, but I will indicate to counsel he may ask Mr. Addicks first whether he knew the price the People's Gas Company of Chicago paid in 1917 and 1918, first, then ask him if he knows what they were able to contract for in the summer of 1919.

Mr. Ransom: It was a company with a very small requirement.

Mr. O'Brien: The People's Gas Company of
12299 Chicago?

Mr. Ransom: Apparently.

The Master: Proceed, Mr. O'Brien.

Mr. O'Brien: We might as well get your Honor right on this matter.

Q. Mr. Addicks, how large a company is the People's Gas Company of Chicago?

A. I don't remember what their output is. They are a very large company.

Q. Oh, yes, second largest in the United States?

A. Yes, but a poor second, I should say, compared with us.

Q. When you say "us" you mean all the affiliated
12300 companies?

A. I mean our companies, yes.

Q. You do not mean the complainant company alone?

A. No, I mean the Consolidated and Allied companies.

Q. How do they stand as to the complainant company in size?

A. I have forgotten what their output is. Pretty large.

Q. Is it not larger than the Consolidated Gas Company proper?

A. I would not like to answer that question without looking it up. I would not like to answer that question without looking it up, but it is a good large company, larger than any other company in the United States, as you say, besides the Consolidated Gas Company.

Q. You would not be surprised if I told you that the output of the People's Gas Company of Chicago was twenty-five billion a year?

A. Twenty-five billion? Well, I would not have put it that high. Ours is about thirty-three billion altogether, and I buy the oil for all of them. 12302

Q. Did you acquaint yourself in making these contracts with the prices being paid by the various companies of the country?

A. No, I depended—

The Master: You have covered that two or three times, Mr. O'Brien.

Mr. O'Brien: I am leading up to this question.

Q. Have you gone into the prices paid by the gas companies in the larger cities of the country?

A. No, not particularly.

Q. Have you not deemed it your business in the matter of making oil contracts for the complainant 12303 company to get the whole situation throughout the country when you are making your contracts?

A. Mr. O'Brien, the question is a local question. What can we get oil for here.

Q. Won't you answer my question. Maybe you will say no, and I will have to end my investigation.

A. Mr. O'Brien, I have had plenty of figures from other companies. I cannot tell you now, but I have known the price that Chicago has paid undoubtedly at times, I have known the price that Philadelphia has

paid, I have known the price that Boston has paid. But I do not remember those prices at this time.

Q. I am talking about 1919?

By the Master:

Q. Do you know what the prices that the gas company in Oklahoma has paid?

A. I know I had a quotation from an Oklahoma Company within a short time where they quoted me Oklahoma 9 5/8 cents a gallon. Not for this year, but another time.

Q. A gas company in Tulsa, Oklahoma, for in-
12305 stance?

A. This is not a gas company.

Q. Would they get it cheaper in Tulsa, Oklahoma, than you would?

A. I would expect they would get it cheaper anywhere near the oil regions.

Q. Would they get it cheaper by reason of the fact that they have not to pipe so far?

A. I believe they would get it cheaper close to the wells.

Q. Well, it comes up through pipes, not by railroad or boat?

A. It comes through pipes. I think that the fur-
12306 ther it comes the more the price is. There are other conditions affecting the price with reference to storage and whether the oil company supplies that storage or does not. In our case the oil company does.

The Master: What was in my mind was this, Mr. O'Brien. There is not any purpose accomplished in pressing an inquiry as to what the gas companies throughout the country pay.

Mr. O'Brien: Oh, yes, your Honor, and I am sorry you are in error on that point. There is the trouble. The vital question is not what they pay at the wells, but what they are paying at

the refineries. It is refining of the oil that is the important thing. This can be pumped through pipe lines or transported at not a great expense.

The Master: Go ahead, then, next question.

By Mr. O'Brien:

Q. Coming to that point, Mr. Addicks, do you know anything about the price of piping oil from Oklahoma to Bayonne?

A. I do not.

Q. Have you ever gone into that question to find out the details of the price or cost of oil? 12308

A. No, I have gone into the question of the storage of oil.

Q. Don't you know that the vital thing in connection with this whole question of the cost of oil is where the refining is done?

A. With respect to the cost of oil, where the refining is done?

Q. Yes.

A. Yes, but if the refineries are alongside of the wells, or near the wells, it makes all the difference in the world.

Q. Do you know any of the refineries that are alongside of the wells, of any of these companies we 12309 have referred to today?

A. I know there are plenty of refineries in the west, but I do not think they are alongside the wells themselves.

Q. Mention any of the companies that you have named today that has a refinery alongside the wells?

A. I cannot name any.

Q. Has the Gulf Refining Company, has the Texas Company, has the Sun Company?

A. Not alongside the well, but the further you get from the well certainly the higher the cost must be.

12310 Walter R. Addicks, Cross.

Q. Is it not a fair proposition, Mr. Addicks, just man to man now, without the frills, to assume that if there is a falling market in gas oil in Chicago there ought to be in New York?

A. There ought to be in New York?

Q. Yes.

A. Well, there was in New York, because I bought oil equivalent to five and a half cents here within six months, if that is a falling market.

The Master: I think you will get along better, Mr. Addicks, if you will simply limit your
12311 answer to the counsel's inquiry. He asked just one question. Is it a fair assumption that if the gas oil market has dropped in Chicago it ought to drop in New York? Is it or is it not a fair assumption?

The Witness: I should say if there was a drop in oil in Chicago we would hope for a drop in oil in New York.

The Master: You would look for it?

The Witness: I would hope for it.

Q. Mr. Addicks, right on that point, if there is a drop of forty per cent in Chicago would you not expect there would be a drop of forty per cent in
12312 New York?

A. Forty per cent?

Q. Yes.

A. I would not necessarily say forty per cent, no.

By the Master:

Q. Why not?

A. I do not know that it would run in proportion. The greater the distance from the well, perhaps, that proportion would be modified.

Q. That is what Mr. O'Brien wants to know—whether it is fair to assume that you will get the same proportionate fall or rise in this market as you will in Chicago?

A. I should expect that.

Q. All you are willing to say is you would expect a rise or fall in line with the rise or fall in Chicago market?

A. Yes, taking that one fact into consideration.

By Mr. O'Brien:

Q. You say that in the face of the fact that you do not know anything about the prices of piping it?

A. Yes. I say that as a general proposition, yes. I should think that. Your Honor, if it is permissible I would like to make a statement at this time on 12314
the line of this question.

Mr. O'Brien: Well, you had better wait, Mr. Addicks, because I am not half through yet.

The Master: If you take the Court's advice you will not volunteer any statement. It is always bad to volunteer anything.

The Witness: All right.

Q. Mr. Addicks, why have you not gone into the study of the question of the cost of piping oil?

A. Because I have not thought of buying any wells and transporting any oil to the seaboard.

Q. You think that would be the only reason for your going into it? 12315

A. I think that would be the only reason for me going into it; yes, sir.

Q. Do you happen to know who controls the pipe lines from Oklahoma to New Jersey?

A. No, I do not know what company does control that.

Q. Have you ever had any information on that subject?

A. I think I have.

The Master: I do not care for the witness's information. I wanted to know what he could swear to.

Q. Could you swear to the control of the Standard Oil Company?

The Master: We have had a little too much about information.

Mr. O'Brien: I know he has given us an awful lot of that stuff on information and belief.

The Master: No, you have been calling for a lot of it.

Mr. O'Brien: I only want what the witness knows. I do not want him to equivocate.

The Master: I think Mr. O'Brien's question
12317 was, "Do you know who controls the Standard Oil Company?"

Mr. O'Brien: No, but do you know how far, if they do, the Standard Oil Company controls the piping of oil?

The Master: To the Atlantic Seaboard.

The Witness: You say the Standard Oil of New Jersey? I do not know.

The Master: How about the Standard Oil Company of New York?

The Witness: I do not know that. I know the Standard Oil Company of New York had a pipe line into their refinery, and I have a report
12318 that the Standard Oil of New Jersey have more, a multiple number.

Q. Getting back to that Chicago price again, I want to get a definite statement from you as to whether you went into the prices there?

A. In making this last contract?

Q. Yes.

A. No, I did not.

Q. Don't you think you would have a valuable weapon, a potent weapon to use with Mr. Williams or some other representative with whom you were trying to negotiate contracts, if you knew what other

big gas companies of the country were paying and you knew where they got it from and how it was refined, where it was refined and all that detail?

A. I do not believe that that would have any effect in any argument I would make, Mr. O'Brien.

Q. Did Mr. Brady ever call to your attention the price that they were paying for oil in Chicago?

A. I said before I think Mr. Anthony N. Brady did speak of the price.

Q. I am not talking about Mr. Anthony N. Brady; I am speaking of the living and not the dead.

A. No, I do not think Mr. Nicholas Brady has. 12320

Q. Has the price being paid by other gas companies been mentioned at all in any of the meetings of the executive committee in the last year?

Mr. Ransom: I object to the question. That has all been gone over.

The Master: That has been covered, Mr. O'Brien.

Q. Has the complainant company ever taken up the question of getting their own supply of crude oil and doing their own distilling?

A. No.

Q. What proportion, if you know, of the amount of gas oil used in the country is used right in and 12321 around New York State by these various gas companies, affiliated with the complainant companies, and the gas companies that are controlled by men who are officers or directors of the complainant company?

Mr. Ransom: I object to the question. It calls for the witness's conclusions on a variety of subjects.

Mr. O'Brien: There is not any conclusion about that.

The Master: Yes, I will sustain the objection.

12322 Walter R. Addicks, Cross.

Mr. O'Brien: I have asked him about the amount of oil used.

The Master: I will sustain the objection in the form the question is put. I will let you ask the questions to what proportion of gas oil used throughout the country is used in New York City or New York State, but I will not permit the question to stand with a lot of other angles to it.

Q. Do you know that, Mr. Addicks?

A. No, I cannot answer that question, but the
12323 amount of gas burned in New York and vicinity is a very large proportion of the amount burned in the United States, and therefore gas oil would probably be very high, but not perhaps the same proportion because coal gas is made to some extent.

Q. At any time since your connection with the complainant company has there been an investigation made into the cost of oil, of mining the crude oil—whatever the technical term may be, welling it or producing it—with a view to taking over properties of that kind and cutting out the oil company?

A. No, sir.

Q. Have you ever suggested it to anybody con-
12324 nected with the company?

A. No, sir.

Q. Have you ever heard it being discussed by the directorate of the complainant company?

A. No, sir.

Q. How far did you follow the proceedings of the Fuel Administration and their control over the oil market?

A. Well, I followed it very closely, I think. I was at a number of hearings in Washington, in regard to conserving oil during the war, the question of having the minimum amount of oil used by the gas company throughout the United States.

The Master: The government never attempted to regulate the price of oil, did it?

The Witness: No, sir. That was an attempt to reduce the amount of oil used, and under one contract having that in view, I put up to Mr. Williams the proposition that we include in our contract that if in that year when we bought the oil the government set a price, we should get the benefit of that price if it were lower. I was keeping track of the Fuel Administration at that time without any question. That was put up to Mr. Williams, and Mr. Williams declined 12326
it. I pressed the matter, and he had it up with the board of directors of the Standard Oil Company, and he told me that the board of directors of the Standard Oil had refused my request.

The Master: But the government never did fix the price?

The Witness: The government never did, as a matter of fact.

Q. Briefly, what was that request again?

A. I requested that we put in one form of contract that if the government set a price lower than the price we agreed to that year, that we should get the benefit of the government price, irrespective of 12327
the price that was in the contract, provided that price was lower.

Q. And they turned that down?

The Master: Yes, he said that Mr. Williams declined it and then took it up with the board of directors of the Standard Oil Company, and they declined it; they sustained Mr. Williams.

Q. Now, Mr. Addicks, to divert to another subject, what is the British Thermal Unit standard in connection with the testing of gas?

A. It is the amount of heat that is in a cubic foot

of gas at the maximum density of water, about 39 degrees.

Q. When was that subject first introduced into gas making circles in this country?

Mr. Ransom: I object to the question as not within the scope of cross-examination.

The Master: I was just going to ask what this has to do with it.

Mr. O'Brien: It is leading up to another question.

The Master: I don't want the leading one;
12329 I want the real one. What is the point?

Mr. O'Brien: I am going to ask the witness some questions about his advocacy of the British Thermal Unit standard.

The Master: I will sustain the objection to that.

Mr. O'Brien: This is preliminary to some other questions.

The Master: What is it preliminary to?

Mr. O'Brien: I want to get up to the discussion of the contract made with the government.

The Master: What contract with the government?

12330 Mr. O'Brien: I think your Honor can rule it out afterwards if I don't connect it.

The Master: There is no use spending a lot of time on it.

Mr. O'Brien: I won't spend a lot of time.

The Master: Ask your next question.

Mr. O'Brien: The statute of this state prescribes a candle power standard for measuring the quality of gas.

The Master: What has the English standard got to do with it?

Mr. O'Brien: It is a different standard.

The Master: What has that got to do with our standard? What has it got to do with this case?

Mr. O'Brien: I want to find out his interest in that subject.

The Master: I don't want it; I don't want any question asked. I will assume that the questions are asked and ruled out, and I will allow you an exception.

Mr. O'Brien: Will you let me put them on the record?

The Master: You can put one question on 12332
the record.

Q. Were you and Mr. Garver and others connected with the complainant company interested in advancing the proposition that the standard of gas should be the British Thermal Unit standard, instead of the candle power standard?

Mr. Ransom: I object to that as not within the scope of cross-examination.

The Master: Objection sustained, and the Master rules that no further questions should be asked along that line, because he feels they are entirely immaterial to this issue. Exception is allowed.

12333

Mr. O'Brien: I will proceed, and you can rule on my questions.

Q. Did you ever take up that subject—

The Master: No, I don't want any more questions on that line. Let us get another line. You have your exception, and there is no use cumbering the record.

Q. Did you advocate the British Thermal Unit standard in any publication?

The Master: Now, Mr. O'Brien, isn't that along the same line? Didn't I make myself per-

12334 Walter R. Addicks, Cross.

fectly clear and give you an exception on that line?

Mr. O'Brien: The questions I have asked the witness about the British Thermal Unit standard, will be connected with this case.

The Master: I don't care anything about that.

Mr. O'Brien: Well, note my exception.

Q. What connection, if any, did you have, Mr. Addicks, with the contract made by the complainant company, or any of its affiliations, with the United States government, for the production of toluol?

12335 Mr. Ransom: I object to that as not within the scope of cross-examination at this time.

The Master: That may be so, but I will allow it.

Mr. Ransom: In defence to your Honor's view we have dealt and are dealing at this stage of the case only with one phase of the case. I very carefully refrained from examining Mr. Addicks on a number of phases of the case regarding which the testimony of the witnesses on behalf of this company, including probably Mr. Addicks, will be material, because your Honor had imposed upon the complainant, and indicated

12336 to the complainant—

The Master: I have your point, Judge Ransom.

Mr. Ransom: I want to state this.

The Master: Don't say it.

Mr. Ransom: I want to make a statement.

The Master: You say it too late. In view of Judge Ransom's statement that he has purposely limited the witness's examination in chief to the cost of oil, having reference to the cost of making and distributing gas, in line with my suggestion, I shall sustain the objection at this time

upon the ground that it is not proper cross-examination. If when the complainant's case is in, Mr. Addicks has not been recalled to cover this toluol situation, and counsel want to cross-examine him on that point as their own witness, because that is what it means, when you ask questions that are not cross-examination you make him your own witness, at that time I will permit it, but at this time I will sustain the objection.

Mr. O'Brien: May I be heard upon this?

The Master: Yes.

Mr. O'Brien: This matter is perhaps one of 12338
the several vital points in connection with this case. It is proper with this witness. I have hewn pretty close to the line of good evidence in the questions I have been asking.

The Master: With my assistance.

Mr. O'Brien: This man has made the contracts, he has prated about the quality of gas, he has talked about the gas they produced, he has discussed everything in connection with oil. Now, anything that has to do with the quality of oil produced, with his capacity to make a contract that mentions the quality of oil, anything that has to do with the question of the quality of gas 12339
produced from that oil, is proper cross-examination of the witness, I contend.

The Master: Let me ask you a question. If I am wrong about my ruling I will reverse it as quick as I made it. How will your inquiry as to the contracts made with the government with reference to toluol bear upon either the cost of oil or the selling price of ammoniacal liquor, or drip oil, or coal tar.

Mr. O'Brien: Well, there are so many varied matters. In the first place I want to know when

they made these contracts with the government, I want to know what led up to them, I want to know whether in making the contracts with the government they were not trying to serve their own selfish purposes, I want to find out whether or not in extracting and stripping the gas of the toluol they were not taking out of it the very things that belong to the consumers, which ought to be paid back to the consumers—

The Master: You have not answered my question. I am asking you how these questions will
12341 in any way, shape or form attack the witness's testimony with reference to what was paid for oil for the reasonableness of the charge, and what they got for the drip oil and other things.

Mr. O'Brien: Directly on his tabulations they show a certain amount of money. His evidence is in that a certain amount of money was paid for oil. I say it is proper cross-examination to find out how much they contracted to get from the United States government to offset that money, and how much they had been getting from the government if they got anything, and what the amount is that they are going to claim
12342 from the government that must be charged up against the amount specified in the exhibits.

The Master: For the time being the objection will be sustained.

Mr. O'Brien: That is only one of the several reasons for the examination.

The Master: At this time I sustain the objection.

Mr. O'Brien: I submit that the effect of it will be that the witness will be taken off, like Teele was, and rehearsed and brushed up and put back again.

The Master: No, they can't rehearse and brush up a witness in a matter of this kind. You might do it in a shirt waist case that is being tried in the City Court, but not in this case.

Mr. O'Brien: Will your Honor permit me to ask two or three questions so that I may note my exception on the record?

The Master: I will let you ask one more that will cover the line, so you will be sure to have your exception.

Q. Were the contracts for the furnishing of toluol or other light oils to the United States government 12344
made upon your recommendation? Did you have anything to do with the discussion of these matters before the executive committee?

The Master: Let me ask you this, Judge Ransom. That toluol was a by-product, was it?

Mr. Ransom: Toluol was something which was taken out by the government and under direction of the government after gas had been manufactured and after gas had been put into the holders. It was a temporary condition that existed during the war, which—

The Master: I know all about that. You need not tell me about that. Didn't you call Mr. 12345
Addicks as a witness to prove what they paid for oil and what they got for their by-products?

Mr. Ransom: For certain by-products. I would not call toluol a by-product in the sense that it was made during the war.

Mr. O'Brien: That is ridiculous, your Honor, that is ridiculous.

Mr. Ransom: I am perfectly willing, if your Honor desires it—

The Master: I am going to allow these questions, I am going to get it.

Mr. Ransom: I most earnestly object.

The Master: It is pretty close to the by-product situation.

Mr. Ransom: Let me indicate the point of view. I do not believe that your Honor has a right to impose upon the complainant, in deference to your Honor's views, a restriction of the proof and the order of proof in pursuance of your Honor's desire to get at what you consider to be the real point in which you are principally interested.

12347 The Master: Then why did you ask Mr. Addicks the selling price of his by-products?

Mr. Ransom: Because in certain respects it bore upon a question which will be dealt with by the succeeding witness, Mr. Woods, for whose testimony, in deference to your Honor's view, I am laying the foundation.

The Master: Why is not toluol just as important while it lasted?

Mr. Ransom: Because your Honor has expressed a view of finding out, a desire to find out what it cost to manufacture gas, not what the books show.

12348 The Master: Judge Ransom, when you say that in making gas you use oil, and when you say that as against the oil that you use you sell this ammoniacal liquor, and you sell drip oil, and you sell water gas tar, leaving aside coal tar, because this is coal gas, that very minute you are assenting to the proposition that I cannot get at the cost of the gas to you unless I charge against you what you get for by-products.

Mr. Ransom: All of these things concerning which this witness has testified are by-products of the process of the manufacturing of gas.

Toluol is not a by-product of the process of manufacturing gas. You make gas year in and year out, and you have certain by-products of manufacture, things which are taken out necessarily as a part of the preparing of the gas from the time that it leaves the retorts for the generators to its readiness to go into the mains. You have that as a part of your ordinary process of manufacture, as a part of the process of manufacture you take certain things out in order to fit your gas to go into the mains. Toluol is not one of them.

The Master: Do your operating accounts for 12350
1918 show the revenue derived from toluol?

Mr. Ransom: There was not a revenue or profit—

The Master: Well, what is this excitement about, why all this mystery about toluol? Why can't we find out what it is and get it.

Mr. Ransom: We have the right to follow an order of proof. We have no desire to evade the toluol issue, we welcome it, but in deference to your Honor's view, and at variance with my own view, we have varied here and radically changed what would otherwise have been our order of proof, in order to get at the question 12351
which your Honor has been reiterating through these days. I announced here when I put Mr. Addicks on the stand I was limiting Mr. Addicks' testimony to two things, very carefully, that I would call Mr. Addicks later upon certain other things, and the thing which I had in mind as one of these matters was this question of the relations with the government for the extraction of toluol from gas after manufacture during a portion of the war period. Now, I am perfectly willing to deal with this question in an

orderly way. I am perfectly willing to start in tomorrow morning and examine Mr. Addicks on direct concerning that or concerning any other matters as to which you desire him to be interrogated on direct at this time. My objection is that when he has not been examined on direct regarding what Mr. O'Brien regards as one of the vital issues in the case, and when his examination in chief upon that issue has, under your Honor's ruling, been deferred to a later time, then to start in and permit that matter to be dealt
12353 with in the first instance by Mr. O'Brien, who happens to be the second of the cross-examiners—

The Master: He didn't happen to be; I made him.

Mr. Ransom: Mr. Chambers has not examined on these matters. Mr. Addicks has not been interrogated in chief about them. I will tell you what I am going to do. In view of Judge Ransom's statement if I so direct, he will proceed with a direct-examination covering this branch of the case, this toluol situation, so as to lay a basis for cross-examination, I am going to hold to my ruling sustaining the objection at this time.
12354 When all of the cross-examination is finished on the points brought out on the direct, I am going to direct Judge Ransom—because I believe it bears upon this very same thing, whether this is strictly a by-product or indirectly a by-product—I am going to rule that for the year 1918, as compared with the high price of oil paid, I want to find out about this toluol situation, so that before this witness leaves the stand, Judge Ransom will be prepared to proceed with the direct-examination covering toluol, and then you will have an opportunity for full cross-examination covering that subject.

Mr. O'Brien: I object, for the reason first—

The Master: There isn't anything before you to object to now. I am sustaining an objection made by the other side, and I am trying to protect you to the utmost, to the end that before this witness leaves the stand, you will have him on cross-examination as to toluol.

Mr. O'Brien: This is proper cross-examination, and I object to the witness being given an opportunity to leave the stand, before I finish this objection. It is absolutely proper cross-examination, for the reason that he has come in here 12356
testifying as to why he made the contracts, what the price was, what the quality was to be, what was the quantity he determined ought to be necessary and how it was used. Now, this question goes directly both to the quantity and the quality of gas, what was necessary for the requirements of this company in serving gas to its consumers. It is just as much a by-product as anything that has been mentioned, and it is directly in the case here, it is directly part of this case, and the statement made that he wants to ask him the questions on the direct so he can bring it out in his own way, certainly shows that 12357
what I said is right, that it is vitally important and that it has touched them in a sore spot.

The Master: You will keep on touching them in a sore spot then, for that matter will come up. I will adhere to my ruling.

Mr. O'Brien: There is another thing as to the quality of the gas. It bears directly upon these matters in the contract—

The Master: We haven't got to the quality of the gas yet.

Mr. O'Brien: The question is directly in-

volved, whether or not the contracts have been complied with.

The Master: I cannot for the life of me understand your insistence upon the questions at this time.

Mr. O'Brien: What I am objecting to is putting on a witness and taking him off, seesawing through this case. I don't want Woods' knowledge, I want this man's knowledge on it.

The Master: You want an opportunity to cross-examine Mr. Addicks with reference to the
12359 toluol agreement. You are going to get it. It is simply a matter of the order of proof. When you get excited about Mr. Addicks talking with Judge Ransom about it tonight, you don't get me excited a bit.

Mr. O'Brien: I am not excited. I am just incensed at the attitude of saying that this is not proper cross-examination, when he has introduced the question of drip oil, when he has introduced the question of tar, when he has introduced all these propositions here. Here is something that is directly a by-product, and which is involved in the purchases made of oil, both as to
12360 quality and quantity.

The Master: If I were taking away from you the opportunity to cross-examine Mr. Addicks about it, I could understand your excitement, but I am not. I am postponing it. This witness is not going to leave the stand, he is not going to be recalled, he is going to stay right on the stand, and before he leaves the stand you are going to have the opportunity to cross-examine him.

Mr. O'Brien: All right, I can't emphasize it any more, but when I approached with Teele and the other witnesses, and got into something they

were not prepared on, Judge Ransom pulls them off, to give them further rehearsals.

The Master: I have said that we are not going to postpone cross-examinations any more.

Mr. Ransom: I have been trying all through the case to get the defendants to cross-examine.

The Master: When a witness is called and gives a direct line of testimony, the cross will proceed on that line. In accordance with the suggestion I have given to Mr. Ransom, I am not going to compel him to exhaust every feature that a witness could testify to at one time, be- 12362
cause I want to get now into the record how much it costs to make gas.

Mr. O'Brien: He was endeavoring to assert that is not proper at this time.

The Master: I do not agree with him entirely.

Mr. O'Brien: There is enough involved in this particular matter to make this a yes or no. That is how important it is, and that is the reason for the excitement when we touch the vermiform appendix—

Mr. Ransom: It hasn't a five cent bearing on this case.

The Master: What is the next question. 12363

Mr. O'Brien: I understood that you were suspending the examination until tomorrow morning.

The Master: No, we are going to complete the examination on every matter brought out in chief.

Mr. O'Brien: I understood that tomorrow morning Mr. Ransom is going back into the direct again.

The Master: No. After the cross-examination is finished, so that you will have an oppor-

12364 Walter R. Addicks, Cross.

tunity to interrogate Mr. Addicks about toluol before he leaves the stand, I am going to compel Mr. Ransom to ask the questions on direct.

Mr. O'Brien: Well, all I can do is to record my serious and earnest objection to putting over this cross-examination at this time.

The Master: You will find that your rights will be fully protected.

Mr. O'Brien: Your Honor, there are certain aspects that I was to take up, and it might be just as well to begin them tomorrow morning.

12365 The Master: Very well. I am going to try to run this from nine to one hereafter, except under some unusual situation.

Adjourned to Wednesday, Oct. 8, 1919, at 9:00 A. M.

Last Complainant's Exhibit 338.
Last Defendants' Exhibit LL.

12366

CONSOLIDATED GAS COMPANY OF NEW YORK, ETC., *et al.* 12367

Before ABRAHAM S. GILBERT, Special Master.

NEW YORK, October 8, 1919.

Met pursuant to adjournment.

Present: MR. RANSOM, MR. VILAS and MR. GOETZ, of Counsel for Complainant.
MR. CHAMBERS, of Counsel for defendant Newton.
MR. HAYWARD, MR. CLARK and MR. NEUMANN, of Counsel for Public Service Commission. 12368
MR. O'BRIEN, of Counsel for defendant Swann.

WALTER R. ADDICKS, resumed the stand.

CROSS-EXAMINATION CONTINUED BY MR. O'BRIEN:

Q. Mr. Addicks, before making contracts for oil you determine the requirements for the prospective period, a year, two or three years, whatever it may be?

A. Yes.

Q. And you determine that by yourself, do you?

A. I determine it by getting the amount of oil that 12369
has been used up to the date of that year, if I am in the middle of a year, what was used the year before, and I frequently consult the chief engineer in regard to it.

Q. That means then that you take an inventory of the oil before you enter into the negotiations for the contract, to know how much you have left of the oil contract on hand?

A. Yes, I would take into consideration every element which entered into the supply of oil for the following year.

12370 Walter R. Addicks, Cross.

Q. How often are the inventories of oil taken or made?

A. The oil stocks?

Q. Yes.

A. I should say they are taken every day, or at least every week, and certainly every month.

A. And are reports turned in by the superintendents of the works at each station of the amount of oil on hand?

A. To me?

Q. Yes.

12371 A. No.

Q. To anybody?

A. That is a detail that I think the engineer of manufacture should answer, exactly how that is done.

Q. I want to know how much you know about it.

A. I know the books of the company in the engineering department will enable me to know how much oil has been used at any time, or received at any time.

Q. You must have before you records of the amount of oil used?

A. I have access to records of that kind.

Q. You get them before you enter into a contract

12372 or the negotiations for a contract?

A. I get the amount of oil on hand—it is not so much that, it is the amount of oil that you have used during a given period, not the amount that you have on hand, that enters into it, unless possibly if you had a very low stock at the time you were making a contract you might buy a little more to carry over, and on the other hand, if you had a full stock, you might buy a little less. It is a matter of estimate and judgment as to just what you are going to buy for the following year.

Q. Just follow my questions from now on, and we will cover the ground more quickly. You have a habit of talking about something else.

Mr. Ransom: I object.

The Master: Don't talk to the witness, Mr. O'Brien.

Q. I have asked you what reports are made to you?

A. Mr. O'Brien, I told you that none were made to me.

Q. The reports of the amount of oil are not turned in to you at all?

A. They are not, and I said so. 12374

Q. Do you know to whom they are turned in?

A. They go to the chief engineer's office.

Q. Directly?

A. I don't know whether they are sent by messenger or by mail I think by messenger.

Q. Do they go through somebody else in the office? You understand what I mean when I say directly, don't you?

A. That is matter that will be known in the office of the chief engineer.

Q. I want to know what you know. You are paid $22,500 a year, aren't you?

A. I don't know what individual receives it and 12375 hands it to the chief engineer.

Q. Is it the procedure for the superintendent of the works to turn in to some intermediate official his report from whom it goes finally to the chief engineer?

The Master: Do you know?

A. The superintendent of the works reports to the engineer of manufacture. His office is right alongside of the chief engineer, and the chief engineer gets access to the reports.

Q. Do you make it, or is it part of your business

as a purchaser of oils to go personally into the deliveries, reports of deliveries that are made?

A. That question has two phases, and I don't know which one you are asking.

Q. Well, answer both?

A. Well, one—I do not go personally into the questions of the deliveries of the oil into the barge, and I do not go into the deliveries from the barge into the tanks of the company, except insofar as my attention would be drawn to any serious difference by the engineer of manufacture or chief engineer.

12377 Q. Has he called your attention to some serious differences on any or many occasions?

A. I answered that yesterday, that there had been occasions. I did not recall how many.

Q. Was this attention called by a written communication to you?

A. Ordinarily it would be written, or it might possibly be by telephone. It would be better to have it by telephone.

Q. What do you mean when you say it would be better?

A. Yes.

Q. You mean that it was very likely often by tele-

12378 phone?

A. Well, the quicker the notice is given the quicker you can make—

Q. I didn't ask you, I am asking about the fact, not some theory?

A. I can say to you that I have had some written communications to that effect.

Q. But more frequently it is by telephone, is that the idea you mean to convey?

A. No, but I am saying it might be the other way.

Q. What was the way?

A. That they may come either way.

Q. I am asking you whether or not on any occasions it was done by telephone?

A. Why, it is a very simple thing. I think it has been done by telephone. I am trying to cover the whole question.

Q. At each station they have a man especially assigned for measuring the tanks?

A. Yes.

Q. And most of your employees are in the employ of the company for a number of years?

A. Yes.

Q. As a rule gas makers and all the employees 12380
around a gas works remain in the employ of the company for a long time?

A. That was true before the war, but there has been a great many changes since the war.

Q. And the original measurements made are turned in from day to day, measurements of oil in the tanks?

A. Undoubtedly measurements of oil in the tanks are turned in every day.

Q. And they find their way into the daily report of the station?

A. That is right.

Q. And they go from the daily report into the permanent record, the manufacturing book? 12381

A. I cannot answer specifically as to just where that goes in a book, or how it goes.

Q. You know what the manufacturing book is, don't you?

A. Yes, I know there is a manufacturing book at the station.

Q. And you know it is the quintessence of information as to the facts of manufacture at each station?

A. I have not seen it lately, and so I cannot recall exactly what it contains.

Q. How long is it since you have seen one?

12382 Walter R. Addicks, Cross.

A. Oh, I don't know; it might have been a number of years.

Q. Is it a number of years, say as much as ten or fifteen years?

A. I don't think it has been fifteen years or ten years, but a number of years, probably five or six or seven.

Q. And that form of record is in use practically by all the gas companies of the country?

A. Not always in the elaborate book form, long book form. It is frequently kept in a very much
12383 smaller form, not in detail.

Q. Is it not in use in all the gas companies in New York City?

A. It is in use in all of our companies, but whether it is in universal use I do not know.

Q. You do not know anything about the Kings County or Brooklyn Union method?

A. Absolutely nothing.

Q. There are columns there that set forth the amount of oil on hand, the amount used from day to day, you have it from month to month and year to year in that record, isn't that a fact?

A. I presume it is a fact.

12384 The Master: What is your judgment, Mr. O'Brien—that that is a pretty accurate record?

Mr. O'Brien: Your Honor, I will tell you my experience.

The Master: No, I am asking you just one question. What is your judgment about it? I just wanted to get your own judgment.

Mr. O'Brien: No, I do not think it is. I do not think, for instance, that they make any allowances for the variations in temperature. I do not suppose they have cleaned these tanks

out in years. Then again, I am going to proceed with the examination to show your Honor there is another method of measuring the gas—I mean measuring the gas oil.

The Master: I will tell you what is in my mind as soon as I get your judgment about it. Do you think it accurately sets forth the amount of gas made each day and the amount of the material used in the making of the gas each day?

Mr. O'Brien: No.

The Master: You do not think that either?

Mr. O'Brien: No. My experience with these 12386
matters is this: That it is full of errors.

The Master: I mean subject to human error.

Mr. O'Brien: Full of errors.

The Master: Subject to human errors, do you think the system is a good one?

Mr. O'Brien: I think any system of recording facts, if the facts are properly ascertained, is a good one. What I am driving at, your Honor, is as to the record of gas made and the corrected make, they use certain formulae to determine what they call the corrected make. I found in the last case I was in they had used the proportional meter to measure the gas, an instru- 12387
ment that is unreliable anyway, and in this particular case was very unreliable, as proved by the evidence. That measured the make and was entirely incorrect.

The Master: You have so frequently referred to this book as containing the quintessence of information, as you call it, I was wondering whether I could not use it to calculate what materials went into the making of a thousand feet of gas. It would shorten my work a good deal.

Mr. O'Brien: You would have to find out whether you could rely upon it. You would have to have your tests.

The Master: I thought you had tested it.

Mr. O'Brien: Wait until I tell your Honor. In the last case I was in, where we had the man who had charge of that particular book for the Kings County Lighting Company on the stand for ten days or two weeks, we got the underlying data and found it was absolutely unreliable, and Judge Greenbaum would not permit the book in
12389 evidence.

The Master: We will see what happens when I get it.

Mr. O'Brien: There were many elements which entered into that unreliability. One was the proportional meter, the other was the calculation; another was when they computed the amount of coal per day we found they were using a coefficient of error, that they put in a certain number of pounds of coal per thousand feet of gas made per day into the calculation of the actual amount used to cover leakage, wastage, or the coal, as they said, that flew away as dust.

12390 The Master: I thought from your questions we had at last struck something you would concede to be correct.

Mr. O'Brien: If the underlying records are correct, you have there a valuable source of information, but if they only go through and measure the tanks perfunctorily, just to make a bluff at a record, depending upon some other source for their real information, then you have something you cannot rely on at all.

The Master: I thought your judgment was it was a reliable book, that is all.

Mr. Ransom: Mr. O'Brien's judgment is that nothing is reliable.

The Master: Do not let us spend any more time on it. It was just something that occurred to me. Go on with the next question.

Q. You did not depend upon these books in making up your records that have been offered in evidence, your tabulations?

The Master: Which books?

Mr. O'Brien: The manufacturing books.

The Master: You did not rely entirely on the manufacturing book, Mr. Addicks, in making up 12392
your tabulation?

Mr. O'Brien: He did not say he relied on it at all.

The Master: What is that?

Mr. O'Brien: He did not say he used the manufacturing book at all.

The Master: Now, that is just what I was going to bring out. You relied on the vouchers and records showing the receipt of material, did you not?

Mr. O'Brien: In the tabulations?

A. I simply have not appreciated your question, Mr. O'Brien. These tabulations I had? No, I sim- 12393
ply took the vouchers themselves.

Q. Could you state positively, Mr. Addicks, that the measurements of gas received and the measurements of gas on hand are taken by that yardstick method at each station?

The Master: I will not let Mr. Addicks testify to it positively, even if he wants to. He is not there every day and he cannot swear to that positively.

A. He said gas, and he means gas oil.

Q. Yes, gas oil.

12394 Walter R. Addicks, Cross.

The Master: Would you swear positively to the way it was done every day?

The Witness: No, I would not, because I was not present to see it. I have seen it done, but I could not say they did it every time. I could swear I believe they did it every time, and if they were known not to do it—

Q. Is that the method you understand to be used?

A. Either of the two methods I described to you.

The Master: There is a gauge method, I understand?

12395 The Witness: There are glass gauges on the sides of the large tanks. They habitually use that.

Q. In what station is there such a gauge?

A. 21st Street.

Q. 21st Street?

A. Yes.

Q. Any other station?

A. I do not recall whether the smaller tanks have that or not. That is a large tank.

Q. You do not think there is one at 99th Street?

A. No, I am quite sure there is not one at 99th Street, because there are fourteen tanks there, all on

12396 the ground.

The Master: Only the above-ground tanks have them?

The Witness: No, the large tank is above ground, but it has an enormous wall of concrete built about it, so if any fracture of the tank occurs the oil does not get away. You go up over a ladder to the top of the wall, go around on another ladder, and get at the gauge glass in front.

Q. Have you ever known these large tanks to be taken apart, repaired, cleaned out?

A. Oh, yes.

Q. When?

The Master: I do not think that is proper cross-examination. What happens is that you bring out something on cross-examination, and Mr. Chambers does then you want to cross-examine upon the cross-examination. If you will have in mind, as I try to have in mind, what the line of direct questions was, it is perfectly simple to limit the cross. My understanding of cross-examination is that it has a two-fold purpose. One to cross question the witness as to matters 12398
testified to by him as to the accuracy of statements made and two, an attack upon credibility.

This question, of course, does not bear upon an attack on credibility; it must bear upon the attack on accuracy of statements made on direct. Mr. Addicks testified on direct that he made certain contracts for oil and made certain efforts to buy at a cheaper price; that he made certain efforts to sell by-products, and he made no efforts to sell others because he knew there was no place to sell them. All his testimony, boiled down, means that and nothing more. You have in mind, of course, asking questions that bear upon other 12399
branches of this case. It may be very useful to you to have them, but I do not believe I can permit cross-examination in this form. I never will get through with this case if I do it.

Mr. O'Brien: I will say, your Honor, I think it is directly cross-examination because it goes to the question of the deliveries.

The Master: He has not testified to the deliveries.

Mr. O'Brien: The method of delivery.

The Master: He has not testified to it; that is where you make the mistake.

Mr. O'Brien: He has got down there those tabulations. His tabulations if spelled out in plain English mean this: We, the Consolidated Gas Company, have for these years specified in this tabulation bought and received and paid for the quantity of oil here at the prices therein stated.

The Master: I will admit that. Let me interrupt you right there to show you something.

12401 You say now you want to attack the accuracy of this statement as to the receipts. It has been attacked. The minute you show that he does not himself see the oil and measure it, that he has not measured it and does not receive it, that he relied entirely on the vouchers and the endorsements on the vouchers, you at once destroy all the weight of his testimony, as such, as to deliveries. I do not take his testimony for that at all.

Mr. Ransom: His testimony becomes no better than the vouchers and receipts.

12402 The Master: His testimony is of no use to me on that.

Mr. O'Brien: I submit, then, the record, even under your Honor's ruling as to the admissibility of these papers, should be eliminated as to that column showing the quantities received.

The Master: No, I am taking them as a tabulation claimed to be made on other matters that I have a right to rely on. I do not know whether I rely on them or not, but I know this: As far as Mr. Addicks is concerned he is not in a position to swear to the accuracy of the delivery statements, and he will not say that I must rely

on his testimony as to the amount of oil actually received. All he knows is that as an officer of this company he has certain vouchers from which he has prepared certain tabulations; whether that was a good way of preventing the facts on the record I do not know, but to my mind that does not mean anything to me, and in the last analysis, when I decide this case, it will not mean anything to me. I do not care how much oil they got in a year, I do not care how accurate their records are as to receipts, disbursements, purchases and deliveries. I do not care anything 12404
about it. What I do want to know is how many cubic feet of gas goes through the mains to the consumers, or is sold. That is what I want. I want to know what goes into the making of that gas. I do not care how much gas was delivered, whether the tanks were ever cleaned, or anything about it. It has nothing to do with this case.

Mr. O'Brien: I catch your Honor's mind on that point. As to the second point I was going to refer to in connection with this question as to whether something is properly cross, you can see the method of proof adopted by the complainant is to put Mr. Aldrich on, Mr. Stark on, Mr. 12405
Brundage on, put Mr. Gawtry on, put Mr. Addicks on, and to keep them within the narrow confines of a specific subject, and in the end, following that proof, they will have had nobody on here that stands for the Consolidated Gas Company, each man saying in turn as he has gone along, "Why, your Honor, that is something you will have to see Woods about," and Woods will say, "That is out of my domain, it is an accounting matter," and you go along and they have got blinders on us as we go through this case.

The Master: You will never get blinders on me. I have been trying cases too many years.

Mr. Ransom: We haven't any one person who can testify to everything.

The Master: I am going to interrupt you again.

Mr. O'Brien: It means a big, big void in the case when you get through.

The Master: No. The trouble with it is this, you and other counsel in this case have been schooled into the trial of rate cases on lines en-
12407 tirely different from the line I am pursuing. You have in mind records in other cases and the results that have been gotten in other cases, and I can't get you gentlemen, except as I have finally got counsel for complainant to come to my point of view, to see that I am approaching a decision of the actual issue in this case upon the simplest kind of standard. I want to know how much cloth goes into the suit of clothes, and I want to know how much that cloth costs, and I am not at all concerned with all these complicated records that mean nothing to me. I have forgotten Mr. Aldrich, I have forgotten Mr. Stark and I
12408 have forgotten all the experts from the real estate department. They are not in mind at all, they mean nothing to me, and until I know what goes into the manufacture of gas, and how much that costs, I am not interested in anything else in this case, or in any records that this company has. Now, there may be some dispute as to how much oil is required, having in mind as I see the difficulties of actually and accurately telling, because of temperature and other conditions, leakages and other things, and I may have to guess, if that term is a proper one to use, and

most judges do guess more or less on a fact which is in dispute and which is not absolutely subject to demonstration, my judgment being that anything that is not actually subject to demonstration is a guess.

Mr. O'Brien: You cannot guess in a rate case, that is the point.

The Master: Yes, you must. You must guess to this extent: If the witnesses for the complainant swear, "I am the gas maker in the 21st Street plant, I handle the oil and I handle the coal, and I know what goes into it, and I know what we 12410
use, I know that we use X gallons of oil a day for so many cubic feet of gas," and the defendants' witnesses say no, they can't use as much as that, because we have tested it this way, and I get into a question of variations because of temperature, leakages, slow meters, or something else, I can see where there is a possibility of a variance, that I must determine a fact as best I can. I appreciate of course that I must not guess in the sense of not having a substantial basis for my judgment, but I have got to form a judgment as to where the middle ground is between those two lines of witnesses, but once I reach 12411
that, I have got to reach the question of how much it costs to make that gas.

Mr. Chambers: I agree with the Master.

The Master: I don't care about their operating books except as they may confirm the judgment I reach independently, or disaffirm the judgment I reach and make me look back to see why is there this variance. But I do not care anything about all this testimony, it is not at all important.

Mr. Chambers: We might have been trying out that question, how much it costs to make gas, last July.

The Master: As I have said a great many times, I have never been in a rate case, I don't know anything about a rate case, but no case is complicated and I think that lawyers have gotten into the habit of making these rate cases entirely too complicated. They are not complicated at all, a perfectly simple matter.

12413 Mr. Ransom: If your Honor please, from the viewpoint of one who has worked in the actual dealings with these things and getting ready processes of proof conforming to your Honor's view, I can say that they do present difficulties and complications, and you can't take an entirely nebulous and hypothetical situation and detach it entirely from all the records in the world and say that the question of what men in a world of men do have to spend in order to accomplish certain results, and do spend, has nothing to do with the question. It does present difficulties.

12414 The Master: You are saying something that does not bear upon what I have said at all. What I say is this: Records which, in the complicated form, show the result of a year's operations, simply confirm or disprove what in an entirely different method is perfectly easy, I think. I say easy, compared with the question involved. Some questions are more easy than others of determination, but these questions are not at all complicated.

Mr. Ransom: Take this matter of oil. Where anywhere could you find, or what kind of proof could be more probative in the case of a great enterprise, where oil is received at various points

under varying conditions, than the fact that, in the first place, this oil is measured and tested by the Produce Exchange, which is virtually a public institution.

Mr. O'Brien: Now, you are getting on the shoals.

The Master: Wait a moment.

Mr. Ransom: And in the second place—

The Master: Let me interrupt you. We are getting beside the question, and I do not want to prolong the discussion. Of course, when you prove by the Produce Exchange records the 12416
amount of gas oil they fix, and of course when you prove by your own records in substantial form the amount of oil delivered, and of course when you prove the total amount of oil used in the making of the amount of gas made, all those things tend to reach a result, in my mind, and probably help in reaching a conclusion, but what I started out to say was, in explanation to Mr. O'Brien, that of course Mr. Addicks cannot swear to the deliveries of the oil except as he gets his information from other people, and his evidence is of no value on that point, and there is no sense in Mr. O'Brien wasting time on that 12417
point.

Mr. Ransom: But this is the oil we have to pay for.

The Master: I have taken his statement of what you pay for it.

Mr. Chambers: I take it the Master wants to know what is used in the machines to make gas.

The Master: Mr. O'Brien is spending time on a cross-examination that does not help me or this case.

Mr. Chambers: If the Master please, I am with you, I would like to try this case right off, in order to find out what it costs to make gas, and we should have been doing that as far back as July. I do not believe the other side were really ready to try the real issues in the case then.

The Master: All right. All of you gentlemen are with me when I am with you, but otherwise you don't believe I know anything about it. Go ahead, Mr. O'Brien.

12419 Mr. O'Brien: Your Honor, I will ask you to bear in mind as I go along, that I not only have in mind your rulings, but I have in mind the other branch of the case, and that is the record, the cold, calculating record.

The Master: I have in mind the record also.

Mr. O'Brien: That will stand after you and I have passed away.

The Master: Proceed to your next question.

Mr. O'Brien: Now, I was just about, when we got into this symposium, I was about to say further on the question of my cross-examination,

12420 that occasionally I may appear to go over the border line of direct cross, but I have in mind the limitations that seem to be placed upon each witness's testimony, and I want to make it a matter of record that I have attempted so far as a lawyer could, within the rules that govern the rules of evidence, to obtain from each officer or representative of the company when he was on the stand, information essential to this case, and that it has been objected to by counsel on the other side, and the record made, and I have done

the best I can to make a record as I see it ought to be.

The Master: I won't find any fault with you, so long as you take my ruling when I give it and do not spend time unnecessarily on it.

Mr. O'Brien: I will leave the matter of the investigation of the tanks with the statement that you don't know anything about that particularly, Mr. Addicks.

Mr. Ransom: I object to that question. It is indefinite, it is a matter of return to the cleaning out of the tanks. 12422

Mr. O'Brien: I will leave it any way the witness states it ought to be left.

The Master: We will take Mr. Addicks' statement as to whether he is willing to testify of his own knowledge as to what he knows is done from time to time with reference to cleaning out tanks.

The Witness: I have three specific instances in mind, but during this discussion it comes to me that they were not in the Consolidated Gas Company, and that they are in the affiliated companies, and to that extent I do not recall the cleaning out of any tank in the Consolidated itself, but I have three instances in my mind of that being done, but they happen to be for the affiliated companies. 12423

Q. Have you ever made any claims against the Standard Oil Company of New Jersey for sediment in the tanks?

A. I think so. I don't know. Necessarily when I answer these questions, I want it understood that I cannot direct it to the Consolidated Gas Company.

Q. You think of the system when you answer?

A. Yes.

Q. Your mind is trained to think of them all, the family?

A. It is very hard for me to distinguish between those matters of memory, to put it to a particular plant. I think such a claim has been made during the time I have been with the Consolidated Gas Company.

Q. Has the complainant ever received any rebate, any credit, because of sediment in the tanks, or because of lack of proper quality of oil?

12425 A. I object to the word rebate.

Q. Call it by any name.

The Master: Call it credit.

The Witness: Calling it credit, I do not recall whether there has been such or not, whether we proved anything, because a matter of sediment—

Q. Have you ever claimed a credit for sediment?

A. I cannot state it as a fact, but the question of sediment in the tank has come up during my experience.

Q. Have you ever demanded from the Standard Oil Company of New Jersey, or the Standard Oil Company of New York, where you purchased oil from

12426 them, any credit because of the quality of the oil not being up to the standard required under your contract?

A. I did, in 1914, I think, from the Standard Oil Company of New Jersey.

Q. That is the only occasion that you recall?

A. That is an occasion I recall, and that is the only one I recall at this minute.

Q. Did you get any money, any credit of any kind?

A. No, sir.

Q. They disagreed with you as to your claim?

A. No. I had a careful investigation made by the

Standard Oil representatives, and the chief engineer, and at the end of that investigation the chief engineer certified that he could not state that there was any trouble with the oil whatever.

Q. You then made no claim in the subsequent years on the quality, so far as you remember?

A. I do not recall any further claim after that time.

Q. Then are we to assume from your statement that the quality was as you had required in your contracts for those other years?

A. Yes, unless there was some specific casual cargo.

Q. Well, you do not recall at this time that there 12428
was such?

A. No. This particular case is firmly in my mind. I would not like to testify to anything further.

Q. You have negotiated the oil contracts or purchases for the companies, the affiliated companies as well as the complainant. Are you the mouthpiece of these companies, too, in their business as to deliveries and as to quality of oil furnished, with the Standard Oil of New Jersey?

The Master: In other words, you mean, Mr. O'Brien, if any question came up, if any complaint was to be made by the affiliated companies it would go through Mr. Addicks? 12429

Mr. O'Brien: Yes.

A. Yes, they would come through me.

Q. And that perhaps is the reason why you say you have in mind some other companies and it may have been some of the others that had the sediment, but you don't recall?

A. That is right.

Q. Now, when you made up these tabulations did you have before you for purposes of framing the tabulations, or for confirming their accuracy, did you have before you the vouchers of the other companies?

A. These tabulations?

Q. Yes.

A. No.

The Master: These only purport to show what the Consolidated Gas Company received and paid for?

The Witness: That is all.

Q. Did you have any of the records of the other companies?

A. No.

Q. Did you use them in making up these tabula-
12431 tions?

A. No, sir.

Q. What method or what scheme or device, if any, have you had during the time of this collective purchasing of oil to guard against the Consolidated Gas Company paying for oil that might be delivered to some of the children, the affiliated companies?

A. The affiliated companies and the superintendents of manufacture will take care of that.

Q. Well, have you got any special check for that purpose?

By the Master:

Q. As I understand, Mr. Addicks, as cargoes are
12432 claimed to have been delivered to your company, your company relies upon the reports of its subordinates?

A. Yes, sir.

Q. As to the receipt of oil by it?

A. Yes, sir, and the other companies similarly for their own company.

Q. In other words, you do not pay a voucher or have a voucher paid, I mean your company, until your company's own people say that they have got that amount of oil?

A. That they have got the amount of oil that they

state there, which checks up to a degree with the certificate of the Produce Exchange.

By Mr. O'Brien:

Q. Mr. Addicks, what is the usual capacity of the boats that delivers the oil?

A. Well, that varies. It is indicated on the contract, about the capacity of boats that go to various stations. If you will refer to one of these contracts you will find the capacity. It is specified there.

Q. Give me your best judgment on that?

A. Well, it would depend on the station, it depends on the water how large a barge can get into the station, and how large a station is. 12434

Q. Do not some of the boats take oil for one place, deliver part of it there and take the rest to some other station and deliver it there?

A. Yes, that is true.

Q. These bills that are made out to you for oil are printed by the Consolidated Gas Company and sent to the oil company for them to bill the oil to you, are they not?

A. Yes, I think they are.

Q. You have the same arrangement that you have with your coal contracts?

A. I think that bill is used generally for our business. 12435

Mr. Ransom: It is a uniform form of invoice.

Mr. O'Brien: Yes, I know it is uniform, I quite agree with you.

Q. So that if the boats deliver part of their cargo at one station and part at another, part to your company and part to the Standard or other gas companies, it becomes all the more important to have an accurate measurement made of the oil as delivered and when delivered at each station?

A. I do not think that the fact that the barge is de-

livering oil to several stations makes it more important. I think it is important to have it in any case, whether all the oil is for one station, or some of it is for another station.

By the Master:

Q. I got the impression from something that was said, I may be wrong, that one barge will deliver oil to your company and then go over, say, to the Astoria and deliver oil there?

A. I do not think—that may happen, I don't know, but I think that Astoria would probably have a barge
12437 all of which would go to Astoria, because the tanks are very large there, but in a case where we get smaller amounts at several stations it might be subdivided.

Q. So that what you have been testifying to has been rather the practice of one barge calling at various stations of the Consolidated Company, delivering one load at different places?

Mr. O'Brien: He stated, your Honor, that it delivered to different companies. He has made that positive statement, that they deliver at different companies.

A. I have stated that it is the practice, I know it is a practice that a barge may go to one station and deliver
12438 some oil and then go to another station and deliver some oil. I know of it being done.

Q. How would you check it up, for instance the Produce Exchange man certified there were two hundred thousand odd gallons of oil in a shipment, and part of that shipment went to one of the companies other than the Consolidated, how would you check the amount you got from the Produce Exchange certificate?

A. We would have a separate certificate for each portion of the barge for each company; in other words, he would have a certificate of the amount going

to one station, and a certificate for the other, and when you separate the barge it is just as if you had two barges.

By Mr. O'Brien:

Q. Do you mean to say you have it separated when it starts, when it leaves Bayonne, or the refinery, the cargo for each company is separated?

A. Yes.

Q. It is measured then by the inspector of the Produce Exchange?

A. Yes.

The Master: In separate tanks? 12440

The Witness: Yes, in separate tanks.

Q. You say now that you never split up a tank at a given station?

A. I do not think that is done, Mr. O'Brien.

Q. Let me go further, and get into a few years ago, the history of the storage of the oil. You know the storage capacity generally, do you, of oil?

A. In the company?

Q. Yes, at the different stations.

A. Well, approximately.

Q. Can you say what storage capacity is at 21st Street?

A. I should think about six hundred or seven hun- 12441
dred thousand gallons.

Q. And at 99th Street what would you say? A. Well, materially smaller. I do not recall the amount at 99th Street. I should say it was at least 200,000 and I do not recall how much more or less. There are 14 tanks underground, and I do not exactly recall the aggregate capacity of them.

Q. They are not very large tanks?

A. I do not recall the size of them.

Q. You remember the openings are about six feet apart where you put the yardstick down?

A. There is a long line, a structure built over the tops of the domes.

Q. About three feet from the ground?

A. I guess about that distance from the ground?

Q. Is it something like the top of a freight train when you look along?

A. Something like that.

Q. And the openings where you put your yardstick down are about five feet apart?

A. I don't recall; it might be 7 or 9.

Q. Well, anyway, the tanks are small?

12443 A. All those tanks are the older tanks, and in all that underground tankage ordinarily they are comparatively small. When we build overhead tanks where we have room and do so, we get very much larger capacity.

Q. What is your capacity at 42nd Street?

A. I do not recall.

Q. What is your capacity at 14th Street?

A. None.

Q. You haven't any oil tank there?

A. None.

Q. Where do they keep the oil when they work?

A. The gas is enriched at 21st Street by gas.

12444 Q. By gas, and not by oil?

A. By oil gas and carbonated gas of a candle power sufficient to enrich the other gas.

Q. Do you know where the main is that does that? Is the gas transmitted to the 14th Street station, or is the 14th Street gas transmitted to the 21st Street station?

A. The 14th Street gas is made and put into the holder. In former years there was a special main running between 21st Street and 14th Street that sent pure oil gas through, and that oil gas was mixed with the coal gas. In later years the coal gas is put into the holder with the higher candle power water gas.

Q. What is the capacity at Astoria?
A. I think two million gallons.
Q. And what is the capacity at the Standard?
A. I don't remember that.
Q. At the New York Mutual?
A. I don't know that.
Q. The Central Union?
A. I don't know that.
Q. Northern Union.
A. None.
Q. Westchester Lighting.
A. My impression is about 800,000 gallons. 12446
Q. New York & Queens?
A. I don't remember. I remember the tank, but I don't remember its capacity.
Q. Now, there was a time when the company considered it rather dangerous to keep a very large supply of oil on hand, wasn't there?
A. And still continues to think so.
Q. And you prefer to keep it moving?
A. Yes, sir.
Q. From the refinery to the tanks?
A. Yes, sir.
Q. And your memory of the fact is that the oil leaving the Standard Oil Company's refinery is sent in 12447
in tar tanks, or more than one tank, but complete tanks, to the different stations and different companies?
A. That is my impression.
Q. You do not think then, that they split up a tank at any station?
A. Well, I won't say as a positive—I won't make an affirmative statement in regard to that.
Q. Well, you haven't any records, either vouchers, reports of deliveries or any other kind of a record of the other companies, the affiliated companies, as to

deliveries of oil, when you made up your tabulations?

A. Yes.

Q. What did you have before you belonging to the other companies in the shape of a record?

A. The chief engineer's office has a complete record of the oil sent by the Standard Oil Company not only to our company, but all the affiliated companies.

Q. He keeps such a record?

A. He does.

Q. And did you use that in making up these tabulations? A. Not that tabulation, no.

12449 Q. In any of the other tabulations that have been presented since you went on the stand?

A. That is only the Consolidated Gas Company record.

Q. I know, but I am asking you if, in checking up the tabulation that was put in evidence since you went on the stand, you used any of the records of the other companies as to deliveries of oil?

A. I have already stated exactly what I did.

Q. Well, it is a simple matter of yes or no. What is the fact?

A. I took the vouchers of deliveries of oil to the Consolidated Gas Company only.

12450 Q. Are you prepared to say that you had all the vouchers for the delivery of oil to the Consolidated Gas Company when you made up this tabulation?

A. I am prepared to say that I believe I had every voucher for the delivery of oil to the Consolidated Gas Company, without exception.

Q. How do you know that; on what do you base that belief?

A. Because I checked up by the records of the chief engineer of the Consolidated Gas Company in another department, and it checked to a gallon.

Q. What other means of knowing confidently, be-

lieving confidently, that the vouchers you used to make up these tabulations were all the vouchers, did you have beside the check you say you made in the chief engineer's office?

A. I think that was a complete check.

Q. I am asking you if you had any other?

The Master: There wasn't any other?

The Witness: I didn't use any other, no.

Q. Did you yourself make this check in the chief engineer's office?

A. Yes, sir.

Q. What was the paper or report that you used to 12452
check up?

A. A large book which contained the statement of the receipts of oil.

Q. Is the book entitled "Oil Deliveries," or what is its title? How will we know it when we see it, or how will we designate it when we call for it?

A. I don't know the exact time they use in the chief engineer's office, but I am inclined to think if you ask for the contract ledger, you will get that book.

Q. And this contract ledger, you think, will show the deliveries over all the years that are covered by your exhibit?

A. It will show all the years from 1913 to 1918, 12453
inclusive.

Q. 1913 to 1918?

A. Yes. I know it will show that, because those are the ones I personally checked.

Q. For the prior years you did not use such a check?

A. No, I did not use such a check in the prior years from 1913 back. Yes, perhaps I did do that. I think I did, when I come to think of it.

Q. You think now that the book did cover a period prior to 1913?

A. Oh, I have no doubt it covered prior to 1913. I am questioning whether I personally checked prior to 1913. I personally did from 1913 on, and my present memory is that I had the rest done by some one else under my direction.

Q. Who was he?

A. Probably Mr. Viebrock.

Q. Wasn't it done recently, Mr. Addicks?

A. Yes.

Q. Why is your memory a little bit shaky?

A. It is not a question of shaky memory. As I re-

12455 call it I had my secretary—

Q. Perhaps you told F. S. to have it done.

A. My memory is that I told Mr. Snyder to take that up to the engineering department and have these particular things checked.

Q. Did Mr. Synder or Mr. Viebrock do the checking for any of the years from 1913 to 1918?

A. Mr. Viebrock and I did the checking from 1913 to 1918 together.

Q. You mean you sat right down with him?

A. Right alongside.

Q. How long ago was that?

A. I did that when this was prepared when I pre-

12456 sented it to the Master.

Q. Was this last year?

A. No, before this record was presented to the Master.

Q. You did not prepare that since the trial of the action, did you?

A. I do not know whether we are talking about two things or not.

Q. Well, I am talking about the exhibits here. Now you can tell me when you prepared them.

The Master: Let us get it accurate. You mean the schedules of gas?

Mr. O'Brien: I do not know why two counsel should rush up here. The tender spot brings them to their feet.

The Master: Mr. O'Brien, you mean the schedules Mr. Addicks has produced here, showing the amount of gas oil received and paid for?

Mr. O'Brien: Yes.

The Master: Those are papers that have the weighted average price on them?

Mr. O'Brien: Yes.

The Master: When did you prepare them; in the last week or two? 12458

The Witness: Before I brought them down here. They were prepared by the gentleman whose name I gave you, and after he had prepared them I personally checked those years.

The Master: That was within the last week or two?

The Witness: Just before I came upon the stand. Maybe it was in the last week, yes.

Q. You do not know when he prepared them, then?

A. Yes, he prepared them when I asked for these particular vouchers.

Q. Was that within a month or was it last year?

A. Why, it was within two weeks, certainly. 12459

Q. Within two weeks?

A. I should say so, yes.

Q. Then as a matter of fact those tabulations were prepared by Mr. Viebrock and afterwards checked up by you?

A. No, sir, they were not prepared by Mr. Viebrock.

Q. Have you not just said that he brought them to you and then you sat down and checked them up?

A. I did not say that.

Q. As to 1913 to 1918?

A. I did not say that.

Mr. O'Brien: I will ask that the third or fourth last question be read.

The Master: No, do not spend time on that.

Mr. O'Brien: Well, I want to show what he said.

The Master: I remember what Mr. Addicks said. It is quite apparent from Mr. Addicks' testimony that Mr. Viebrock is somebody up at the engineer's office.

The Witness: Mr. Schoenfish prepared them.

12461 I testified before Mr. Schoenfish prepared them.

The Master: Yes, he did, and afterward he went to Mr. Viebrock and checked them up with him, and when he prepared the figures prior to 1913, instead of going upstairs, he sent Viebrock upstairs and told him to have somebody check it up.

The Witness: And the checking up—I did not do that with Mr. Schoenfish for 1913 in the first instance; I had another gentleman with me in the room adjoining my office checking from the vouchers. As I stated, I checked all of 1918 with him, and I checked 1913 individually without any assistance whatever in my office. I then

12462 made a check on these vouchers by going upstairs to an independent source.

By the Master:

Q. For the intervening years?

A. No, for those same years.

Q. 1913 and 1918?

A. 1913 and 1918.

Q. To 1918?

A. 1913 to 1918. I checked them entirely independently.

Q. You used the conjunction, that is what made me ask you. 1913 to 1918?

A. Oh, 1913 to 1918, and I personally made the calculations. They are right here; I have them right here.

By Mr. O'Brien:

Q. Were not your additions of those tabulations made by a machine?

A. I do not know whether they were made by a machine or not. I personally added up those tabulations in one of the exhibits. I personally added the tabulations myself without a machine except my own machine—my head.

12464 The Master: I think we have had enough of that, Mr. O'Brien.

Mr. O'Brien: I am going to show you before I get through with this witness that they are not reliable, even as they stand, that is all.

The Master: Do not spend any more time on it.

Q. Will you state, Mr. Addicks, that you made personally yourself these weighted averages by making the computations personally yourself?

Mr. Ransom: I object to the question as already asked and answered. There is no use going over it again.

12465 The Master: I will let Mr. Addicks answer this one. I think Mr. Addicks said he himself calculated one year.

Mr. O'Brien: They could not have done it, your Honor; they have used the machine on it, just as sure as he is sitting on that seat.

The Master: Why could he not do it?

Mr. O'Brien: Because it would take him too long to do it.

A. The first one that appears here is 1913. The weighted average price has .032255. I reversed the method of calculation and proved that that figure was

correct, having a remainder that corresponded with the original, and I did that in every year.

The Master: And you have the original figures in your hand now?

The Witness: I have the original figures from which they are made up in my hand.

The Master: And in your own handwriting?

The Witness: And this is in my own handwriting.

The Master I think we have had enough of that.

12467 Q. You did the multiplication?

The Master: No, Mr. O'Brien, I will not permit another question on it for this reason, if for no other: I think the examination has been exhaustive on it, and if there is any error it is so easy to show the error, and the minute the error appears the weight of the testimony is destroyed. I will not permit any more questions, that is all there is about it. If there is an error in it, it is easy to point it out and I will see it.

Mr. O'Brien: I will ask the witness two or three general questions, then, and leave that subject.

12468 Q. Mr. Addicks, do you say you personally made out the weighted average? I am not talking about checking it now. Did you personally make up or compute the weighted average for every year on that tabulation, and for every station?

Mr. Ransom: I object to the question. It has already been gone over.

The Master: Objection sustained. The subject has been fully covered.

Mr. O'Brien: He has not put himself on record, your Honor.

The Master: I think the subject has been fully

covered, Mr. O'Brien. I will not permit any more.

Mr. O'Brien: I am trying to get his sworn statement as to each one of these years, and each one of these stations.

The Master: I will not take any more on it.

Mr. O'Brien: Does your Honor assume that he has stated yes to—

The Master: I will only assume his testimony to be such as he has given.

Mr. O'Brien: I mean in making your ruling have you assumed he has answered he did, or yes, 12470 to all of the stations and years?

The Master: No.

Mr. O'Brien: I submit the ruling would carry that inference with it.

The Master: Not necessarily.

Mr. O'Brien: That he has done it for all these years.

The Master: Not necessarily. I shall assume this is a tabulation made up from other records accessible to the defendants, and if any error has crept into it it can easily be pointed out.

Q. Did Mr. Schoenfish or Mr. Viebrock, or anybody under your direction use the computations of 12471 deliveries to other companies in order to verify or make up the tabulations you have made as to deliveries to this company?

Mr. Ransom: I object.

The Master: Same ruling.

Mr. O'Brien: That was not quite a definite answer I got before, your Honor.

The Master: It is quite satisfactory to me, and I do not think any more should be allowed. Now, you see you do not agree with me.

Mr. O'Brien: Well, usually, whatever your

ruling is on that, if the record is not there my exception will cover me, that is all.

The Master: That is the only way to protect yourself. If the Judge disagrees with me I take my ruling.

Mr. O'Brien: All I want is the bare truth.

The Master: What I want to get is the fact.

Mr. O'Brien: *Nuda veritas* is the Latin way of putting it.

Q. Mr. Addicks, when did you first begin to use the computing machines in the company?

12473 A. I don't know.

The Master: You need not answer that; I do not care about it.

Q. Can you tell me who personally got out the vouchers?

Mr. Ransom: I object to the question.

The Master: I think that subject has been fully covered.

Mr. O'Brien: No, this is important, your Honor.

The Master: No.

Mr. O'Brien: I want to find out whether—I want some one, I do not care who it is, to make the record in this case by saying under oath something about deliveries of oil—somebody who will swear under oath, somebody who ought to know and does know the facts, to swear under oath as to the amount of oil delivered to this company.

12474

The Master: Objection sustained.

Mr. O'Brien: I want to find out if Mr. Addicks knows; I want to find out the basis of his statement that he believes he had all the vouchers for deliveries before him when he added it up.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Does the chief engineer's office, making up their records of oil deliveries, use the vouchers at all?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Is their information there, or are their records as to deliveries of oil, based only upon reports made to them from the works?

Mr. Ransom: Same objection.

The Master: Same ruling and exception.

Q. Are there any pipe line connections between the oil tanks of the complainant company and any of the other companies? 12476

The Master: I will allow that.

A. No.

Q. You stated, speaking about the Northern Union, that they had not any tank or storage equipment?

A. I shall have to qualify it.

Q. How do you qualify it?

A. That I don't know. The plant has not been running for a great many years. They may have some of the tanks there that were used at the time the tank was running, and it may have been removed.

The Master: You do not buy any oil for the Northern Union?

The Witness: None. 12477

Q. Will you say there is no connection between the Astoria plant's supply of oil and the New Amsterdam Company's supply of oil?

A. I will.

Q. Will you state that neither company delivers or turns over to the use of the other company oil received?

A. I will unless there may be some oil that might have been transferred on account of shortage; but certainly not between those plants.

Q. Do you recall any other plants between which

there have been transferred or interchanged or exchanged deliveries of oil at any time?

A. In the winter of 1907 and the dire stress for—

The Master: 1907 or 1917?

The Witness: 1917.

The Master: That very cold winter, you mean?

The Witness: Wait a moment. It would be 1918, I guess.

Mr. Ransom: December and January.

The Witness: The very cold winter was 1917 and 1918—it just escapes me at the moment—but
12479 in that dire stress I made preparations to transfer some oil from Astoria to Queens, but whether a tank was transported or not I cannot now remember. I think not.

Q. Do you know of any other transfers of oil of any kind since you have been connected with the company?

A. I do not recall any whatever.

Q. From one company to another?

A. I do not recall any whatever.

Q. Do you know whether there is any equipment by which it might be transferred?

A. None except small tanks that might hold a thou-
12480 sand gallons.

Q. Have you got such tanks?

A. We have drip oil tanks which go around the city to pump drip out of the street mains. They might be used. They probably hold about four hundred gallons. I think we own one that holds a thousand gallons.

Q. But you don't know of any pipe lines?

A. No, sir.

The Master: There are none?

The Witness: There are none.

Q. You say that positively?

A. I will say that positively.

Q. Are you intimately acquainted with the mains system, the piping system of the affiliated companies and the complainant company?

A. I have a general information in regard to it.

Q. So that you can speak positively on the question?

By the Master:

Q. Are there any of these gas mains that might be used for transferring oil from one plant to another? I gather from Mr. O'Brien's question that he thinks it is possible, that although the Consolidated Gas Company bought 33,000,000 gallons of oil, that they might 12482
not have used it all, but have transferred some of it to other companies. Is it possible that that can be done?

A. There are two lines, as I recall it—

The Master: Is that what you mean, Mr. O'Brien?

The Witness: We have, I think, two mains leading from Astoria into Ravenswood. One is a 62-inch main, I think, and there is a small main as well, running alongside of it.

Q. Which could transport oil from Astoria to Ravenswood?

A. I think for a time that was cut off from gas supply, and we transported water from a certain point 12483
into the Astoria Works.

Q. That could be used for transporting oil?

A. I do not recall whether it runs as far as the Ravenswood Works, so I could not say whether it could or could not.

Q. Well, is there any such line between the Consolidated plants and any of the affiliated plants, which might carry oil from the Consolidated plants to the affiliated plants?

A. Your Honor, these are not oil lines. They are gas mains.

12484 Walter R. Addicks, Cross.

Q. Well, could they be used for transporting oil?

A. Well, I would not want to use them because of the possible danger of leakage through the joints. I think it would be a very hazardous thing to do.

Q. I got the impression from something that was said before that the gas mains, the pipes used for transporting gas, have a very low pressure standard; in other words, they are very thin pipe compared with what might be used for transporting water or other matter that might require higher pressure. Does transporting oil require higher pressure than gas?

12485 A. Ordinarily a pipe that is used for transporting oil would be a steel or iron pipe.

Q. Thicker?

A. Not necessarily that, but with screwed joints, and having greater strength by virtue of its being steel or wrought iron, instead of cast iron, and less liable to fracture in use.

Q. But in case of emergency, it would be possible to send oil through a gas pipe, wouldn't it?

A. I never would do it. I never would take the chance of doing that.

The Master: Next line, Mr. O'Brien. I do not think we can get any more on that line.

12486 Mr. O'Brien: The line from Astoria to Ravenswood?

The Master: Or any other line. I am talking now about the possibility of cheating on the use of oil.

Mr. O'Brien: But I did not use that vulgar word, "cheating."

The Master: Well, I do. That is what it amounts to, isn't it? I always like to call a spade a spade.

Q. Is this lighterage of oil done by the company or by the Standard Oil?

A. The lighterage is furnished by the Standard Oil under their contract. They charge for the oil and they lighter it.

The Master: The point is, you do not employ the lightering companies?

The Witness: We do not.

Q. This is not done by M. J. Tracey?

A. No.

Q. Does this collective buying of oil cover any other companies beside the affiliated companies, and the complainant?

The Master: Does it cover any companies 12488
other than you have mentioned in your testimony?

A. I do not recall that I testified to all the companies, your Honor.

The Master: Isn't it in the contract?

The Witness: I think it refers to all the companies.

The Master: Well, answer the question; perhaps that is the quickest way.

The Witness: Well, it covers all the companies in Manhattan except the Mutual Company; it covers the Central Union in the Bronx. The other company, the Bronx Gas & Electric, is an outside company. It covers the Ravenswood 12489
plant and the Astoria plant and the New York and Queens plant at Flushing. It covers the various plants of the Westchester Lighting Company, four or five of them, and the Northern Westchester and the Peekskill.

Q. Have you any tabulation or record, or could you tell us from your own knowledge, what the requirements are of oil, what proportions, to put it another way, of the oil contracted for, go to the other companies?

A. I could not subdivide it on the stand at this moment, no, sir.

Q. Well, take the last amount contracted for, say, in 1918, was what, 255?

A. No.

Q. What was that?

A. The last one?

Q. I mean million gallons.

A. I think the last one was, before the existing contract, was 122,000,000 gallons. I can give you the accurate figures, if you would like them.

Q. 112, was it, did you say?

A. No, I said the one before this, the existing con-
12491 tract is a contract which cancelled the one prior, and the one prior was 122,000,000 gallons, as I said.

Q. Well, now, in making that contract for 122,000,000 gallons, you had in mind approximately what you would need for the other companies over a given period?

A. Yes, that included all the requirements of all the companies.

Q. Now, just—I do not mean a precise figure, Mr. Addicks, but approximate the quantity that would be required, that was estimated to be required for each of these companies?

A. At times I received the amounts of oil that was
12492 used in the prior year by every company. It is possible that at times I have asked for the aggregate of that.

Q. Well, I am trying to find out what it is?

A. Well, I can't tell you offhand.

Q. I assume that when you undertook this collective purchasing for all the companies, that you had some idea of their requirements. Now, you need not give it to us precisely, but give it to me in proportions. How much for Astoria, and how much for the Consolidated? Give it to me. If half went to Astoria, say so, 50 per cent; if 10 per cent for the Standard,

or 5 per cent for the New Amsterdam, whatever it is, just approximate it?

A. I haven't got that in detail here, sir.

Q. I don't want it in detail. I have asked you a simple question which you, being in this business for years, ought to be able to carry in your head. I will put the questions directly, and you give me the answer, and we will go to something else. Will you say approximately what proportion of the amount of oil you purchased under the contract for 122,000,000 gallons you had in mind to be alloted to the Astoria plant?

A. I cannot give you that figure at this time. 12494

Q. Can you say whether it was one-half or one-third or one-quarter of the total supply, or more than one-half?

A. I cannot give you that figure at this particular time.

Q. You cannot give me that proportion or that percentage?

A. Not at the particular time.

Q. Well, could you refresh your recollection in any way?

A. Why, certainly I could, if I had the memorandum.

Q. I want to find out if your memory is entirely 12495 faulty. You are called—you discussed these matters with the executive committee?

A. Yes.

Q. And you are compelled, aren't you, to have these things at your finger tips when you talk to them?

A. I would have only the aggregate amount of oil.

Q. If Mr. Cortelyou or Mr. Brady said, "How much so and so," Mr. Addicks, you would not want to tell them that you could not recall, that, would you?

A. Unless I had the figures with me, I would be compelled to whether I wanted to or not.

12496 Walter R. Addicks, Cross.

Q. You would not feel competent and able to tell them as to probably how much of that oil was going to go to Astoria?

A. Not unless I had the tabulation of each of the companies before me.

Q. And would this apply to the other contracts of other years, too?

A. Why, yes. I told you, Mr. O'Brien, I have had in detail for each company in some years, but I am dealing as an entirety, and I have the tabulations here for three years, I have it right here.

12497 Q. Well, now—

A. I have the tabulation totalling 172,459,690 gallons when I made a contract from July 1st, 1914, and in that case I have 275,000,000 gallons as the amount to be purchased.

Q. Well, now, listen.

A. And I have it for each year with the estimates, and how it was arrived at.

Q. I am trying to get what is in your mind, not what you have got in some written papers. Now, I am asking you if you are unable to state even in approximations the precentage of requirements of oil for each of the companies for any period since you have

12498 been with them?

A. The Central Union, for instance, makes 10,000,000 a day, and they will use approximately 40,000 gallons of oil a day. The 21st Street will use 100,000 a day. Now, it depends upon how many days they run during the year what that aggregate is. I haven't it in my mind at the moment.

Q. Well, haven't you in your mind the total amount of gas made?

A. No, I haven't any more than the other.

Q. Haven't you got the proportions of gas made?

A. No, I haven't got that either, in my mind. I can tell you the total, the total is about 33,000,000,000.

Q. Well, could you say the relation between the Astoria and the other plants?

A. Well, I can give you the relationship there very nicely.

Q. As to the quantity of oil? A. I can give the relationship as to the size of the plant, which would indicate the quantity of oil that would probably be required. The 21st Street works is somewheres around 30,000,000, the Central Union is about ten and one-half million, part of which is coal gas; the Standard Company is about ten million; the Astoria is twenty million coal gas and about thirty million water gas; the 12500
Ravenswood was about thirty million, and now probably between thirty and thirty-five or forty million.

Q. Well, now, interpret that into the language of oil.

A. Well, they are the relative sizes of the plants. Now, it would require oil in proportion to those sizes. I am sorry I cannot give you the exact number of gallons that you want.

Q. See if you will agree with me on this, Mr. Addicks. The amount of oil that would be used by the New Amsterdam plant would be relatively considerably smaller than the amount used by Astoria; isn't that a safe guess? 12501

A. Astoria, capacity for capacity, would be apt to use more than Ravenswood, because of the presence of coal gas, and the enrichment of coal gas from the water gas. If Ravenswood should receive coal gas and enrich a portion of that coal gas, why, it would equalize to that extent the amount of oil used by Ravenswood. At 21st Street, when the 14th Street plant is running, why, there would be a certain amount of oil that would be required to take care of the 14th Street gas. As I said before, originally there was a separate oil plant run there for 14th Street gas and that oil would be

in excess of what would be used in the water gas end of it.

Q. Well, the Standard uses a small amount compared to Astoria, doesn't it?

A. The Standard plant is ten millions, and based upon, we will say, Ravenswood, of thirty millions, it would be one-third, and it would depend upon how many days the capacity of that plant was used as compared with Ravenswood. I would expect a larger amount would be used at Ravenswood, proportionately.

Q. Would you say it was one-third in the Standard,
12503 to what you would say in the Ravenswood?

A. It depends entirely upon the quantity of gas made in those two plants.

Q. Well, you can't remember that?

A. No, I can't remember that.

Q. Approximately?

A. No; I have no occasion to.

Q. You don't have to?

A. No.

Q. It is not part of your business to know it?

A. No; the chief engineer runs those plants.

Q. I know, but you have to buy the oil?

A. Yes, I have to buy the oil.

12504 Q. Mr. Addicks, you have got to think this very minute if you are a one hundred per cent efficient employee of this company, what the present conditions are, and what you may need next year, haven't you?

A. Yes.

Q. You have got to know just what part they are going to play?

A. I will have that at the proper time, and I would be very glad if I had it now, to give in to you now.

Q. What I mean, does that mean all you need to do is when the time comes, to press a button, and you have a man give you the figures?

A. I can get at any time the amount of oil used at any plant of any of these companies by simply getting it from the chief engineer's office.

Q. And you don't have to bother to carry these things in your head?

A. I cannot do it. I have so much to do, I could not do it.

Q. You have other things to remember?

A. I have a great many things to remember, a great many things to do.

Q. Right on that point, you have tried to represent to the Court here that it was necessary, to put it 12506
another way, that it was to the great advantage of all concerned here, the affiliated companies, as well as the complainant, to buy collectively the oil that you needed?

A. Yes. I stated that the advantage of continuity of supply and the quality of gas—

Q. You have laid down in the application or request for estimates to these independent companies, you have laid down there as one the conditions a certain large supply that meant the collective purchasing, haven't you?

A. I do not understand that question. I will answer it when I do. 12507

Q. Well, I will get out some of the letters you wrote, those little love notes.

Mr. Ransom: A queer line of love letters.

Q. One of that cablegram size.

The Master: What is the point of this cross-examination?

Mr. O'Brien: The point is this, your Honor. Our contention is that in the letters, the proposition that they put up, these requests made for competition are not in good faith; that the effort is made to bar out the possibility of any of these

companies giving them the oil by fixing as one of the conditions that they contract for such a tremendous amount of oil.

The Master: All right.

Mr. O'Brien: That they could let out and get the Texas Refining Company or any of the others, to sell them oil and get a lower price than what they paid for it.

Mr. Ransom: Prove that.

Mr. O'Brien: We will find that out before we get through.

12509 The Master: Wait a minute, Mr. O'Brien, will you? Maybe you have found it out already. Your point is that the Standard plant is of a size that could have contracted for its requirements independently, isn't it?

Mr. O'Brien: That is one, yes.

The Master: That is clear on the record. Your point is that perhaps some of the other plants could have bought independently and made a contract for their requirements, isn't that so?

Mr. O'Brien: That is true. Of course, the witness, the only approach to what would be the comparative requirements of oil of these companies that he gives us, is by simply stating their

12510 capacity. He won't even put himself on record as to the amount of gas they turn out annually.

The Master: If the point you want to get at is that the reason assigned by this witness is not a valid reason, and that these various companies could have independently purchased their requirements and been able to make contracts, you can find it out in one question, if it is not already covered, and I am going to get it now.

Mr. Ransom: The letters show Mr. O'Brien's theory is wrong.

The Master: Listen to me a minute and see if we can not wind up this line of examination.

By the Master:

Q. Mr. Addicks, it was feasible, was it not, if it was considered good judgment on your part, or on the part of your company, to have made separate contracts for the requirements of the various separate companies, and perhaps have been able to get a contract for the requirements, say, of the Standard standing alone?

A. Of course, your Honor, I could have taken our aggregate contract and divided it up into separate con- 12512
tracts for every company, of course.

Q. Well, the point that Mr. O'Brien has in mind, and I want to get on the record clearly so as to save time, is this: You added together the requirements of all of your companies, and found they would require, say 125,000,000 gallons of oil for a year. That was made up of a certain amount from the Standard, a certain amount from the New Amsterdam, a certain amount from the Westchester, a certain amount from the Ravenswood, and a certain amount from the Astoria?

A. Yes.

Q. That is correct? 12513

A. That is right.

Q. Now, in order to get that large quantity from one company, it required a very large company to handle it, did it not?

A. That is true.

Q. If you had limited a contract to the requirements of the Standard, we will say, which makes 10,000,000 feet a day, there were a number of companies that would have had capacity and ability to handle that contract, were there not?

A. It did not develop during 1917, 1918 and 1919.

12514 Walter R. Addicks, Cross.

My letters of those three years are absolutely inviting any quantity and every one of those letters invited any quantity.

Q. Then your statement is that Exhibit, we will say, 296, written November 28, 1917, which reads: "I would be glad to be informed if you have any gas oil of 28 or 34 degrees B for sale and at that price, and what monthly deliveries you can make," was intended to bring out an offer of any quantity?

A. That is exactly what we intended to do.

Q. Am I not safe in assuming the fact that your
12515 company would have hesitated to make separate contracts in any event for all these separate companies?

A. They, of course, would have hesitated to have made a contract with any company unless we were absolutely sure it could be delivered, and they certainly would have made an effort to get oil as cheap as any quotation.

Q. I know what letters mean as well as anybody, I think. If you were the Gulf Refining Company, and you got a letter from the Consolidated Gas Company, knowing the practice of the Consolidated Gas Company to purchase in very large quantities, would you not assume on getting a letter of this kind, that it con-
12516 templated a very large quantity?

A. No, I don't think on any one of these letters that I would assume that, and in fact those companies did not assume it, because they did quote during the years on smaller quantities, which clearly indicated that my letter conveyed the impression that it was for any quantity.

Mr. O'Brien: I would like to ask him right here about Mr. Higgins' reply to him, of the Standard Oil of New York.

The Master: I am going to get it.

Mr. O'Brien: Mr. Higgins expresses that he is regretfully unable to meet their wants.

The Master: I will see whether any companies offered any quantity and whether that quantity would not have fit one of these companies.

Mr. Ransom: Where is the letter of the Texas Company?

The Master: I had it right here.

Mr. Ransom: That is the 1914 letter?

The Master: I am talking about 1917, let us stay there for a minute.

Q. In 1917, Mr. Addicks' statement is that his letters written in 1917, indicated that he was ready to take any amount offered, and that one or more of these companies offered a smaller amount. Now, the Texas Company did not, the Sun Company did not, the Gulf Company did not. In 1917, Mr. Addicks, if you will look at your correspondence I think you will find that you are mistaken in that statement that any one of those three companies offered any smaller quantity.

A. I think that is right, your Honor. There is one company which says that if it is impossible to make an arrangement for an adequate supply of gas making oil elsewhere we shall be very glad to hear from you and might be able to arrange deliveries of definite quantities for short periods of time.

Q. Now, in 1918, you got a letter from the Sun Company, Exhibit 313, in which they offered five to ten million gallons of gas oil for the first six months of 1919, at 9 1/2 cents a gallon. Now, did that price compare with what you actually paid?

A. I paid 7 1/2 cents.

Q. This was much higher?

A. Much higher.

Q. Now, what company's requirements would have been met with offer of five to ten million gallons for the first half of 1919, assuming the price to have been

right? Would it have met the requirements of one of the smaller companies?

A. It would have met the requirements of the Westchester Company, I think, certainly some of the plants of the Westchester Company, and the Northern Westchester and the Peekskill.

Q. You yesterday referred to a letter that you got from the Texas Company quoting a price of three and a fraction cents, I think, at a time when you were paying less. This was for 1914, or 1915, delivery?

A. That was three and three-quarter cents, was it
12521 not?

Q. They sent you a proposed contract, I see, at the price of 3 3/4 cents?

A. Yes, sir.

Q. They made you an offer of from twenty to forty million gallons?

A. Yes, sir.

Q. That would have been a very substantial amount, wouldn't it?

A. Yes, sir, it would.

Q. That would have answered the requirements of one or more of the companies, wouldn't it?

A. I think it would.

12522 Q. What was the difficulty with that offer?

A. It was materially higher than the one we had before us at that time, being 2 1/2 cents.

Q. Exhibit 291, the letter of August 1, 1916, from the Sun Company to you, they offer you a million gallons a month during 1917. Would not that have met the requirements of one of the smaller companies?

Mr. O'Brien: Now, Judge Ransom, if you are going to have a talk here I want your talk upon the record. I don't want to have you handing up papers to the Master here and carrying on a conversation which is not in this record.

Mr. Ransom: Anything I say is on the record.

Mr. O'Brien: No, it is not, it is *sotto voce*. Anything you say I want to have in cold type here.

Q. Would a million gallons a month have sufficed for the requirements of any one of your companies?

A. Some of the plants.

Q. Why didn't you make that contract with them?

A. That was at what price?

Q. .0525 for 1907?

A. I had a lower price quoted on that.

Q. Now, is it your testimony that during the years we will say from 1913 to 1919, you don't know of 12524 any oil company that was prepared to furnish the requirements of any one of your companies, no matter what size, small or large, at a price equal to or better than you were getting from the Standard Oil Company?

A. From 1914?

Q. From 1914, to date?

A. Yes.

By Mr. O'Brien:

Q. Mr. Addicks, do these folders that you have handed me cover the correspondence for each of the years marked thereon?

A. Did I hand those to you? I did not know I 12525 had (examines paper).

Q. Theoretically you handed me those.

A. Yes, sir, I think they do.

Q. Do these folders contain all of the correspondence that passed between you and oil companies relative to contracts in the years specified, 1914, 1915, 1916, 1917, 1918 and 1919?

A. I think they do. I think there is one letter that was put in one of those which was not here originally, and I think I brought it down afterwards.

Mr. Ransom: That is the 1914 letter, is it not?

The Witness: No, there is another letter.

The Master: The folders that are now in the possession of Mr. O'Brien contain all the correspondence that you know about?

The Witness: Yes, I think they do. There may be some message as to capacity or amount, or something like that, but I do not recall it, but I think they contain everything.

Q. No other letter that you know of except the one you mentioned, so far as your memory goes, passed between you and any of the oil companies?

12527 A. I think I brought every letter down with respect to this matter, that passed between me and the oil companies.

Q. Or between Mr. Carter and the oil companies?

A. I do not know about Mr. Carter.

Q. Well, the correspondence in 1914 on oil contracts was conducted by Mr. Carter?

A. That particular thing, that particular letter, was written by Mr. Carter.

Q. Were there any letters written by you in 1914, to oil companies with respect to oil contracts?

A. No.

The Master: What letter is that you are re-

12528 ferring to, Mr. O'Brien?

Mr. O'Brien: I am looking at the letter now dated June 16, 1914, addressed by the Texas Company to the Consolidated Gas Company, "Attention Mr. R. A. Carter, vice president."

Q. Mr. Carter is in the court room at the present time, and that is the Mr. Carter referred to in that letter?

A. Yes.

Q. Do you know what letter Mr. Carter wrote, if any, to the Texas Company, that brought forth this letter of June 16, 1914?

A. No.

The Master: Now, is that letter of June 16, 1914, marked in evidence, Mr. O'Brien?

Mr. O'Brien: I thought they were, your Honor.

Mr. Ransom: No, that was not. That was a letter that was referred to yesterday.

The Master: He said he got a letter in 1914, but it was not offered in evidence. Now, if you wanted to use it—

Mr. O'Brien: Perhaps I will mark it for identification. 12530

The Master: No, if you want to use it, I will have it marked in evidence.

Mr. Ransom: I will offer it in evidence the same as the other letters.

The Master: Yes, and your examination will not be of any use if you are going to examine the witness on it without having it as an exhibit.

Mr. O'Brien: I had assumed in asking the witness these questions that this was in.

The Master: I will not hold you to it now, but if you want to go further on that letter I will mark it in evidence. 12531

Mr. O'Brien: I will turn it back to counsel.

Mr. Ransom: I shall offer it in evidence. It was a letter Mr. Addicks said yesterday was written to Mr. Carter, as he recalled, while he was away.

The Master: And I would not want to take advantage of the situation.

Mr. Ransom: I now offer it in evidence.

The Master: If there is no objection to it—

Mr. O'Brien: I object to it as incompetent,

irrelevant, immaterial. I incorporate in my objection all the objections I have made to other contracts and to other letters bearing upon the making of contracts.

The Master: I will receive it. I think the better way would be to offer the folder, because it is all part of that contract apparently. There is the letter of June 16th, addressed to the Consolidated Gas Company, which apparently had enclosed in it a form of contract consisting of two sheets, and I will receive the folder over
12533 the objection and mark it in evidence.

Mr. Ransom: Mr. Chambers is not here.

The Master: The same objection made by Mr. Chambers, and exception allowed various counsel.

Marked Complainant's Exhibit 339.

Q. Do you know whether a letter was written that brought forth this letter from the Texas Company?

A. I don't know that Mr. Carter submitted that to me that you have there.

Q. Then you did not take part in the negotiating of oil contracts in 1914?

A. Yes.

12534 The Master: You did?

The Witness: Yes.

Q. In 1914 what negotiations did you enter into with the various oil companies of the country to furnish oil to the complainant?

A. I entered into negotiations with the Standard Oil Company of New Jersey.

Q. And no others?

A. No.

The Master: I think that is fully covered, Mr. O'Brien. I think we have been all over that. I think we have had it as to each year.

Mr. O'Brien: I am trying to get this little chain complete. Here and there I may have a question to ask.

The Master: I think the chain is complete.

Q. Did you, when you prepared to testify here, make a search for the letter to which this Texas Company letter of June 16, 1914, was an answer?

Mr. Ransom: I object to the question. It does not appear that it is an answer to anything. It does not refer to anything.

The Master: Let me say this, Mr. O'Brien: I think it is a fair statement as to Mr. Addicks' 12536
testimony that he was of opinion that the only satisfactory company to deal with so far as they were concerned, for their requirements, including the Consolidated and all the allied companies, was the Standard Oil Company of New Jersey, which had these very large storage plants and tanks and refineries at Bayonne.

Mr. O'Brien: If he subscribes to that, of course that would—

The Master: I think whatever way he may put it, that is the impression it makes on my mind, that that was his judgment.

Q. Was that your idea right along, Mr. Addicks, 12537
that after it was all said and done you would have to go back to the people who would give you the kind you wanted and all you wanted, to wit, the Standard Oil Company of New Jersey?

Mr. Ransom: What time are you referring to?

The Master: 1913 to 1918.

A. Mr. O'Brien, our plants have very inadequate storage for oil, for the quantity of oil we used, and we must depend upon the oil company to furnish that storage in addition to our own.

The Master: Have I not put it accurately, Mr. Addicks—because if I have not I want you to correct me. I get the impression from your testimony, both the direct and cross as far as it has gone, and this correspondence, that you had no faith in these outside companies meeting your requirements in the way you wanted, that you felt you had to deal with the Standard Oil Company because of the position they had, the facilities they had, and their ability to produce the stuff—that you felt you were getting it at
12539 as good a price as you could anywhere else anyhow?

The Witness: And the fact that they never failed.

The Master: Am I not right in that, about your testimony?

The Witness: I think that is true.

The Master: His judgment may be all wrong. It may well be that on testimony you put in it will be shown that he had not any right to feel that way, and all that sort of thing.

Mr. Ransom: You rather left out the element of price in that.

12540 The Master: No, I did not.

Mr. Ransom: I did not understand you to include that.

The Master: Well, I did.

The Witness: I never had a lower price at any time quoted for oil.

Q. What is that again?

A. I have never had in any of these cases a lower price than the price I quoted.

Q. You are throwing this anchor to the windward?

A. Yes, but I say I never had a lower price quoted at any time for oil.

Q. Is the Master's summary or the Master's impression of what was in your mind during these years from 1913 to 1919 when making oil contracts correct?

A. I do not think of any other company than the Standard Oil Company could supply our wants.

Q. Did you think that at the time you were negotiating these contracts?

A. I have thought that for a number of years, and during the time I negotiated these contracts.

Q. Then your letters to the Sun Company, the Texas Company, if you wrote any of them, the Gulf 12542
Refining Company, the Tidewater Company, were perfunctorily done?

A. No, they were not perfunctorily done.

Q. Why did you write to them, then, if you had that conviction about the Standard Oil Company that you have referred to?

A. To absolutely confirm that fact.

Q. What fact?

A. That there was no other company that could supply our wants at the price.

Q. When you are speaking about "our wants" now, you mean the total amount required for all of the companies?

12543

Mr. Ransom: Or any of them.

A. I would be prepared at any time to consider the amount, even a smaller amount, but I never had that question arise because I never got a low enough price to consider it.

Q. Did you personally carry on any of the negotiations with a representative of any of these companies that have been mentioned?

A. I did.

Q. With whom did you ever discuss the subject?

A. Mr. O'Malley of the Texas Company.

12544 Walter R. Addicks, Cross.

Q. Would you be surprised if I told you that Mr. O'Malley in the month of March of this year quoted a lower price than you got from the Standard Oil?

The Master: I will not allow that question, because I think these questions asking whether the witness would be surprised at anything get us nowhere.

Q. When did you talk to Mr. O'Malley?

Mr. O'Brien: I call your Honor's attention to the fact that the witness stated yesterday he did not have any oral discussions with these

12545 men.

The Witness: I did not make that statement.

Q. Perhaps I am in error; maybe it was a slip of the tongue.

A. I have only been waiting to tell you.

Q. Been waiting?

A. Yes.

Q. Go ahead now and tell us when that took place?

The Master: When did you have this talk with Mr. O'Malley, Mr. Addicks?

(The witness consults papers.)

The Master: Mr. Addicks has found what

12546 you wanted, Mr. O'Brien.

Q. Have you found O'Malley now?

A. Yes, sir.

Q. Who is Mr. O'Malley?

A. His card reads "Leonard O'Malley," a number on Battery Place—I cannot read the number—New York, and at the lower left-hand corner "The Texas Company."

Q. You know Mr. O'Malley is only the subordinate outside man that they chase around to talk to gas companies, do you not?

A. I know he represented himself as representing the Texas Oil Company.

12547

Q. Oh, that is all you know about the Texas Company, is just Mr. O'Malley.

A. I knew Mr. O'Malley in this case as representing the Texas Company.

Q. Did you ever talk to Mr. Woodbridge?

A. No, I never talked to Mr. Woodbridge.

Q. Did you ever talk to the New York manager, Mr. Love?

A. No.

Q. Did you ever visit the office of the manager down on Battery Place?

12548

A. No.

Q. Would you not consider, if you were earnestly and in good faith seeking to get the best you could out of these companies in the shape of an estimate, that it was necessary to personally negotiate it with the head man here?

A. If the matter or the question would arise at a favorable reply price, I should think I would.

Q. Would you expect to get on the first quotation of the subordinate salesman sent around to talk to gas companies the best that they could give you?

Mr. Ransom: I object to the question. There is not anything to indicate that Mr. O'Malley who goes in reply to a letter, is a subordinate salesman. He is the man the company sends.

12549

The Master: Let us have the answer anyhow.

Mr. Ransom: It assumes a state of facts not in any way indicated, and probably is entirely contrary to the fact.

The Master: Would you expect to get the lowest price from the man who came to see you, on the first quotation?

The Witness: In this case he took it up with his own company.

The Master: He so reported to you?

The Witness: Yes, sir.

Q. Won't you answer my question, Mr. Addicks? Give me one direct answer to a question.

The Master: We will strike that out. Strike out counsel's statement, "Give me one direct answer to a question."

Mr. O'Brien: I asked the witness for an answer, your Honor.

The Master: I will sustain the objection to that question. I think it is too complicated a question and of no use to us.

Q. Will you tell me why you have not taken it up
12551 with Mr. Woodbridge or the New York manager?

A. I did not see any occasion to take it up with either of them.

Q. Would it not have been good, sound business policy to undertake the same kind of negotiation and persistency that you say you used on Mr. Williams where you beat him down?

A. If a company came in with a very large proposition that could supply our wants under the same conditions, why there might be a time arise when such a thing would be true, but it has not arisen so far as my experience goes.

The Master: Let us get down to Mr. O'Mal-
12552 ley. You had some negotiations with Mr. O'Malley?

The Witness: I did.

The Master: What were they and when were they?

The Witness: I addressed a letter to the Texas Oil Company, dated November 18, 1919.

Mr. Ransom: I am afraid that date is not correct.

The Witness: What?

Mr. Ransom: I am afraid the date is not November 18, 1919.

The Witness: November 21, 1918.

Mr. Ransom: What is the exhibit of that letter?

The Witness: Exhibit No. 308. On November 21, 1918, Mr. O'Malley came to see me in connection with the matter. I had an interview with him and apparently he did not quote a price at that time, but on November 23rd—

Mr. O'Brien: I move to strike that out, "Apparently he did not," from that on.

A. I believe that he did not make any quotation at that time, but on Saturday, November 23rd, he 12554
telephoned me and quoted eight cents a gallon on one million to one million and a half gallons of gas oil per month, and that they would confirm this quotation in writing. On November 25, 1918, they did confirm it.

The Master: Is that letter in evidence, the confirmation?

The Witness: Exhibit 314.

Q. What other negotiations did you undertake with any representative of the oil companies with regard to oil contracts outside of your talks with Mr. Williams of the Standard of New Jersey, and this interview with Mr. O'Malley? 12555

A. None other.

Q. Did you personally talk with Mr. O'Malley at the time he called at your office?

A. I did.

Q. What was the substance of the conversation? You are not giving these things from your memory, are you, Mr. Addicks? You are reading during the last three questions and answers from memoranda before you?

A. Memoranda before me that I personally dictated.

12556 Walter R. Addicks, Cross.

The Master: At the time?

The Witness: At the time.

The Master: What was the substance of the talk with Mr. O'Malley?

The Witness: We discussed the quantity of oil which he indicated would be a great deal. He, however, primarily referred to fuel oil, and particularly Mexican oil. He cited the Gulf Refining Company, his own company, and the Dutch Company and the Standard Oil Company as having very large amounts of oil in Tampico, Mexico, and with the freeing of tank boats by
12557 the United States government great quantities would be available. He indicated that it would be unwise to contract for a very long period of time. I asked him if he noted that I had asked for a year period as well as a six months' period, and he said he noted that. I told him it was the first time I had ever in my experience even thought of a six months' contract, so far as I could remember. He stated that he would reply to my letter in a day or two, after he talked with another gentleman who was not in New York at the moment.

12558 Q. Did he say who that was?

A. I do not recall whether he did or not; haven't got it noted. During the conversation he stated that it was generally expected by the oil people he had talked with that there was no hope of doing business with the Consolidated Gas Company. In reply thereto I told him one with the great responsibility I had in the situation I had had to be very conservative, and cited that his own suggestion of a million and a half gallons per month was a very small part of our requirements, and the certainty of supply and delivery was of very great importance, and that depend-

ence upon a multiplicity of sources of supply might result in all running dry at the same time. He replied that he could well understand the importance of being conservative in a matter of this kind. He hesitated to quote any price unless there was assurance consideration would be given to the quotation, and I told him I could hardly be in position to pay for a quotation by guaranteeing a contract. I said to him that I did not care to modify or amend my communication to his company.

I made some notations on his card, and I will see if there is anything additional. He stated that 12560
a million and a half gallons per month only were available, parafine base, from Louisiana, U. S. A., gas oil, that he had supplied the Kings County Company, could not supply the large quantity asked for. Have their own barges.

Here is a notation, Long Island City capacity 10,000,000, and a figure I can't quite read. I take it that refers to capacity.

Q. Their capacity?

A. Their storage capacity. This is something in repetition. Great quantity of oil in view, but is fuel. Gas oil about eight cents, fuel oil seven cents. Then I have noted in regard to prices of oil, which was 12561
referring undoubtedly to my other letter. The message of November 23rd was, Mr. O'Malley of the Texas Company called me on the telephone and stated they would quote eight cents per gallon for million to million and a half gallons gas oil per month, and they would confirm that quotation in writing. Then follows the quotation.

Q. Well, do these that you have described with O'Malley, and what you described in your previous testimony as having taken place with Mr. Williams, of the Standard Oil of New Jersey, cover all of the

personal negotiations carried on by you in connection with oil contracts from 1913 to date?

A. You are excluding the letters in that question?

Q. Yes.

A. Yes.

Q. Nothing else was done outside of sending the letters?

A. No, sir.

Q. Did you ever see Mr. Carter's letters there, the Texas Oil to Mr. Carter, before it was produced in court yesterday?

12563 A. Yes, sir.

Q. Did you see it after you came back to town in 1914?

A. I believe I saw it then—well, I saw it when I came into the office, and my present impression is that it was almost immediately after its receipt.

Q. Well, the next letter that was written that year was about a month afterwards, and that also was addressed to Mr. Carter. Were you away over a month at that time?

A. What other letter?

Q. 1914?

A. I don't know what you are referring to.

12564 The Master: There wasn't another letter, Mr. O'Brien.

Mr. O'Brien: Well, it is a quotation, call it what you will. One is in June and the other is about a month afterwards in July.

Mr. Ransom: That is probably a typographical error. They came at the same time.

The Master: One is June 16th, and the quotation is July 16th.

Mr. Goetz: The second sheet of that letter will show the correct date. That is an error there.

The Master: The second sheet of the letter which is dated June 16th, is dated July 16th.

Mr. O'Brien: I don't think it is chivalrous to put it all back on the poor stenographers, you know.

Q. Do you know whether this letter came in June or July?

A. I think the letter came, as shown on the contract on the second page.

The Master: That means July?

The Witness: Yes.

Mr. O'Brien: For the purposes of the record 12566
I refer to this letter as follows: I have asked the witness about letter of June 16, 1914, a two-page letter, the second page of which is dated July 16, 1914, and then the blue colored letter dated July 16, 1914.

The Master: It is marked "quotation," that blue paper.

Mr. Ransom: And enclosure.

Mr. O'Brien: Marked "quotation," but this blue letter dated July 16th says, "In response to your inquiry we are pleased to quote you as follows."

The Master: That is printed matter, isn't it, 12567
"In response to your inquiry," that is a printed form.

Mr. O'Brien: Yes, so that it would seem from reading the whole thing together that one letter dated July 16th accompanied the letter of June 16, 1914.

Q. You don't use a stamp on these letters, I note, at the gas office, to indicate when they are received?

A. No, but I very frequently have my personal stamp on. For instance, on this particular letter of the Texas Company of November 25, 1918, is "W. R. A., Nov. 26, 1918."

Q. Well, coming to this particular letter, we do not find—look it over, Mr. Addicks—there is nothing on that to indicate when it did come, is there?

The Master: Mr. Carter did not note the date of the receipt, did he?

The Witness: He did not.

Q. It is not stamped in any way to indicate when it was received?

A. No, sir.

Q. You think that you saw this after you came back from your vacation in 1914?

12569 The Master: He said he knew it.

The Witness: I knew I saw it because at that time negotiations were closed which were not closed until August.

Q. Well, did you note the contents of this letter and the reference made to the quality of the gas which the Texas Company say they were able to give?

The Master: The quality of the oil?

Mr. O'Brien: The oil, yes.

The Witness: Yes, I did.

Q. Did you notice what they said with reference to J. F. Mahar, the president of the People's Gas

12570 Light & Coke Company of Chicago?

A. I undoubtedly did at that time.

Q. Did you ask Mr. Brady at that time anything about the kind of oil they were getting from the Texas Company in the People's Company of Chicago?

A. No.

Q. Did you know that Mr. Mahar is the attorney for Mr. Brady and the People's Gas Company?

A. I know Mr. Mahar personally, I know he has been connected with the Chicago Gas Light & Coke Company, but in what capacity I cannot say.

Q. Well, you know he is a lawyer, don't you?

A. I do.

Q. You have known that he appeared representing Brady interests before the Public Service Commission here?

Mr. Ransom: I object to that, wholly immaterial, quite immaterial, and does not even show that it is true.

Mr. O'Brien: If you have a little imagination, you will see what materiality it will have.

The Master: I will let Mr. O'Brien's imagination have a little play. You can answer that. 12572

A. I was not present at any of the hearings, and therefore I do not see that I can say so, although I saw something about it in the public print.

Q. Did it occur to you at the time you read this letter in 1914, in which the Texas Company set forth the kind of oils that they were able to give, the quality, and referred to the experience of the People's Gas Company of Chicago, did it occur to you to ask Mr. Brady just what their experience was, with a view to doing some business with the Texas Company?

A. No.

Q. Why not? 12573

A. The price quoted on that oil was so much higher than the price quoted on our own oil that I did not give it any further consideration in that direction.

Q. Did Mr. Brady discuss it at the executive committee meeting at which the contract was made at that time?

A. I do not recall any such discussion.

Q. When you speak about the fear that you have entertained all along that nobody else could furnish the quantity of oil that you would want for the com-

plainant company and the affiliated companies, did you make any attempt to find out what other big gas companies were doing in the matter of getting a supply of oil?

Mr. Ransom: I object to that as already covered.

The Master: The objection is sustained as having been very fully covered.

Mr. O'Brien: Your Honor, what I wanted here, and I am going to cover it in as brief a time as I can, is to bring out, your Honor,

12575 either that the witness has been entirely indifferent as to what other big companies have done in the matter—

The Master: Well, you have pointed that out.

Mr. O'Brien: And bring out the fact that other big companies, and here is a company in Chicago that uses more oil than the complainant company and the Astoria Company combined, and they get it without going to the Standard Oil Company to get it.

Mr. Ransom: And they pay more money for it.

Mr. O'Brien: Pay less money for it.

12576 The Master: It is on the record as best you can get it.

Mr. O'Brien: Forty per cent less money.

The Master: It is in the record as good as you can get it. The witness has testified over and over again that he paid no attention to what the Chicago Company was doing, never made any inquiries and don't know.

Q. If it be true, Mr. Addicks, that a company using as much or more oil than the complainant company and the Astoria Company combined, is able to

get that oil from several companies other than the Standard Oil Company and supply their wants, would not that indicate that your position was not the wise one with regard to your being compelled to buy your oil from the Standard Oil Company of New Jersey?

Mr. Ransom: I object to the question as purely hypothetical and argumentative.

A. No.

The Master: The answer is stricken out, and the Master rules out the question on the ground it is purely argumentative, and I will not have 12578 argument between counsel and the witness.

Q. As I gathered from your statement here, when you say that the Master had the correct impression about your attitude and your state of mine in regard to buying oil from the Standard Oil Company right along, if I gathered that right, it was a matter of getting some body, some company that would supply the wants of the complainant and the affiliated companies from time to time and give them the oil according as you need to use it, is that correct?

Mr. Ransom: I object to the question.

The Master: I will allow that.

The Witness: Mr. O'Brien, I will try to be 12579 responsive. It would be necessary if we obtained oil from any but the Standard Oil Company to have a storage capacity for our plants for a very long period of time, a multiplicity of plants to hold not less than six months supply of oil, and probably more. Now, it is my idea that it is the most economical way to buy oil as we have bought it; and further than that I have bought oil cheaper for the Consolidated Gas Company during these periods of years than the outside companies in the Metropolitan District have bought oil.

Q. Mr. Addicks, why do you say that it was not economical for the complainant company to have a storage capacity to take care of their oil business for many months ahead?

A. I went through a very careful calculation at one time with respect to that.

Q. That was back in 1905, wasn't it?

A. Yes.

Q. And you went into an investigation then, but have you ever made one since?

A. I have not.

12581 Q. And your position at that time was that it would be pretty expensive to erect a tank, wasn't it?

A. And much more now, both in amount and number of tanks, and also in the cost of material today.

Q. Was that your position at the time you say you made your investigation?

A. My investigation at that time was that it would cost us more for our oil if we did that, than what we have paid.

Q. And wasn't your position upon that matter at that time that it would cost you .0082 cents for erecting storage tanks sufficient to take care of a large

12582 capacity?

A. I do not recall what the details of those figures were at this time.

Q. Don't I approximate it?

A. I haven't any memory on it.

Q. Do you think I am very far in error as stating that as your decision?

A. I cannot remember the figures.

Q. Wasn't it your position at that time that this .0082 cents, the cost of making the storage tanks necessary to take care of a large supply of oil, would be added to the cost of the oil every year?

A. Yes, and take all the risk of lightning, fire and all the other conditions that would surround such a storage, which would absolutely ruin us if it happened.

Q. Wasn't it your theory when you evolved that theory as the expense of building the necessary tanks, that the tanks would last for a year and then be demolished?

A. No.

Q. Wasn't that the theory?

A. No, oh, no.

Q. Was it a permanent tank or tankage system that would last for many years, that you had in 12584 mind?

A. Just the same as our present tankage.

Q. Well, now, have you got the data on that subject so that you could refresh your memory?

A. I haven't it here.

Q. Are you prepared to tell the Master now in any kind of a definite logical statement, why the complainant is, or feels itself compelled to go right back to the Standard Oil Company every year and make such contracts as would require not delivery of a large supply while the price is low, but certain amounts from month to month and from year to year?

A. On the Island of Manhattan I do not believe 12585 the city would permit an oil storage, an adequate oil storage. I do not believe that the city would permit an adequate oil storage in Long Island City. It would be necessary, in my judgment, to go to some isolated point, where we would have rail facilities and barge facilities, and it would be necessary to store in that place; that it would be necessary to have a barge system, with tugs, to transport them to the point of use of the oil in quantities substantially as we are now receiving it. I said I did not consider the question of this storage of oil, although I did

consider in a general way the question as to whether we could own barges and tugs to transport the oil.

Q. Let me ask you right at that point—

Mr. Ransom: Let him finish his answer.

Mr. O'Brien: He has taken his knee down and thrown himself back to take another puff of that cigar. I assume he is through. Are you through with that answer?

Mr. Ransom: Have you finished your statement, Mr. Addicks?

Mr. O'Brien: Counsel does not need to get worried, and put up that Dr. Munyon figure,
12587 when I am about to ask the witness a question.

Mr. Ransom: Your Latin is unintelligible.

Q. Mr. Addicks, are you finished with that answer?

A. I would like further to add that consideration of that storage in New York has been considered within a very much shorter period of time than 1905, although I said a few moments ago that I have not considered it. I wish to withdraw that statement and say that I have considered it. It was considered in connection with an inquiry on the conditions of affairs that followed the strenuous winter of 1917, as
12588 to oil storage on Manhattan Island.

Q. Well, let me ask you right here, before I forget to ask you—let me ask you right here, you are speaking about the question of storage and barges and railroad cars. Isn't oil piped to New York, or to Bayonne, from Oklahoma?

A. Well, I haven't got any piping from Oklahoma.

Q. No, but I am talking about the physical possibility of transporting oil. It is piped, isn't it, from Oklahoma to Bayonne, and you so testified?

A. I have a communication here dated January 29,

1918, suggesting "Gas oil, Oklahoma, Group 3, shipping point 9 3/8 cents a gallon." That isn't any encouragement for a pipe from Oklahoma.

Q. We are not talking about the price end of it now. Don't drift into another subject.

A. The price end of it is very important.

Q. You are speaking about Manhattan?

A. Yes.

Q. You are talking about—you say you do not think the city would allow a tank to go up in Manhattan; you do not think the city would permit a tank in Long Island City? 12590

Mr. Ransom: That is what he said.

A. I have every reason to confirm that, because

Q. Mr. Addicks, there isn't any physical difficulty, there has been difficulty in erecting tanks in Manhattan within the last few months.
no mechanical obstacle, to erecting a tank out in the waste of Long Island, is there, and piping it in?

A. It would be possible to go out to the waste of Long Island or go to the waste of Jersey, and I should prefer the waste of Jersey, because that would have railroad facilities to get to these various companies you are trying to talk about.

Q. Well, now, tell me, what did you do when you 12591
say you went into this subject again, when you faced the stressful conditions of the winter of 1917-1918?

A. The Public Service Commission, in a report signed by Mr. Kracke, I think.

Q. Oh, Mr. Kracke, an expert?

A. Suggesting—Well, he is a commissioner of the Public Service Commission, having to do with our companies, in the governing and regulation of our companies.

Q. He is a worthy member of that latter day commission all right?

12592 Walter R. Addicks, Cross.

A. I have no reflections to make on any public official.

Q. Well, now, you would not put forth Mr. Kracke, would you—

The Master: That will do; that is enough. Did Mr. Kracke give you a report?

The Witness: He made a report with respect to oil storage, and suggested that a three months' oil storage be kept at every plant.

The Master: And what did you do?

Q. Mr. Kracke is a district leader in Brooklyn,
12593 isn't he?

The Master: That question is stricken from the record. Mr. Kracke was a Public Service Commissioner appointed by the governor of the state, that is enough. We are not here to try Mr. Kracke's qualifications in politics.

Q. Was Mr. Kracke's recommendation made the basis of any judgment on the part of your executive committee?

A. The communication to the Public Service Commission with respect to that matter, was given very careful consideration by the officers of the Consolidated Gas Company, and a reply was made to the
12594 Commission in connection with that letter.

Q. How far did the complainant company go into the matter?

A. Well, it was so important, that although I was on my holiday, I considered the matter, in spite of the fact that I was on a holiday, and wrote a letter to the president of the company with respect to it.

Q. Well, who took part in the investigation as to the feasibility of having a long supply of oil?

A. Our construction department.

Q. What particular individual?

A. Mr. William Cullen Morris and Mr. W. George Wood considered the matter.

Q. Did Woods go into it, too?

A. I don't think there is any question but what Mr. Woods went into it.

Q. Did he make a report on it?

A. My report, as I recall it, came from the Construction Department, who have to do with the building of new apparatus.

Q. Who took care of the scientific features of the matter?

A. I consulted with the chief engineer of the company, and also with Mr. Morris.

Q. Mr. Bradley? 12596

A. Yes, sir, and also with Mr. Woods.

Q. Was this matter decided after a conference or two, or did they get into the whole subject and the outline of costs of putting up the tanks, and the place where they might put them, the feasibility of transportating it by pipe lines to the station where it was necessary?

A. We took up the area available in the various plants, as to how much storage we could get in.

Q. And what else?

A. I do not know that the question of cost came in as a particular element. Undoubtedly that was considered, but I do not recall that, but it was the 12597
possibility of getting as much storage on the land that we had at the various plants, and which would demand very much more land than was then occupied by the gas works.

Q. Well, that was all threshed out, was it, and reports made?

A. That was all threshed out with respect to each individual plant, as I recall it. I remember specifically of 21st Street.

Q. Was it done orally, or was it done in written reports?

A. A written reply was sent to the Commission, which set forth what was done.

Q. I am talking about what came in to you. Some one had the last say in the company on that subject, didn't they?

A. Mr. O'Brien, it is very hard for me to remember every detail that comes before me; there are so many details that come before me that I cannot answer offhand exactly what it was. I know the result of it is in the Public Service Commission letter.

Q. But Mr. Addicks, aren't you aware of the fact
12599 that some companies not as large as the Consolidated, have been able to cut the price in half by having adequate storage facilities for oil?

A. Cut the price in half?

Q. Cut the price of oil in half, by having adequate storage facilities, where they could take advantage of the companies being willing—oil companies—to deliver large quantities at certain times?

A. I am not aware of that. In my own experience, when I had adequate facilities, I did not have that happy result.

Q. You never heard of that then?

A. No, I never heard of it.

12600 Q. Well, won't you concede at least this, that when you go to a company for oil, and you set up a large amount, say 150,000,000 gallons, and you ask that that be delivered in equal quantities over, say, a period of two or three years, that you are putting an exaction upon the contracting parties, that means expense to them and will mean expense to you?

A. And would mean more expense to us, if we undertook it, in my judgment.

Q. Well, now, isn't it a fact? Do I understate it, or overstate it when I put it in that way?

A. Mr. O'Brien, there is probably a certain point

of maximum efficiency in this storage of oil question, and possible supply, the same as in many other things. There comes a time when the business is so large that the responsibilities that a company has to undertake in order to handle them would affect the price to an extent that would probably make the price a little higher than it would be where everything is easy to handle.

Q. Well, now, you are getting away from my question. I asked you a simple question?

A. I did not intend to.

Q. If when you go to a company and you lay 12602
down the proposition that you want a supply of oil running into millions of gallons and that they must deliver it of certain qualities and deliver it in tank boats, and that they must have it the same quality as you have been getting previously from some other companies, and that they must deliver it in equal quantities over a given term of years, that you are placing an exaction upon them that makes it all the harder for them to make a contract?

A. I am not putting anything more than exists in fact.

Q. Well, haven't they been compelled to almost guarantee the future, of which they know not? 12603

A. We must have a guarantee of the future. How can we otherwise carry out our business? What would happen in the city if from any action on my part the gas failed in any part of the city? It is largely connected together, and if you fail in one part, you fail in the whole.

Q. Well, then, as a matter of fact, when you say you must have a guarantee of the future, and you won't build tank storage equipment of proper capacity for reasons best known to yourself, aren't you shifting over that burden as to that responsibility for

the future to the oil companies that sell you the oil?

The Master: Of course he is.

Mr. O'Brien: And they are making you pay for it, aren't they?

The Master: Of course they are.

Mr. O'Brien: Well, is that your answer, too, Mr. Addicks?

The Master: Don't let us have any more of that argument.

Mr. O'Brien: Just a minute, your Honor.

The Master: No, I am tired of it. Of course
12605 they are. Mr. Addicks has told you several times that they have balanced the situation as against putting up big tanks to store oil and gamble on the market in that way, and gamble on the danger from lightning and other things, as against the requirement being placed upon the oil company of taking these risks and of providing the storage, and they figure that even though it does cost them a shade more to get it the other way, they are better off. What is the use of wasting time on that matter?

Mr. O'Brien: That is all right for you dismiss the matter by calling it a shade more, but
12606 that is not in the evidence.

The Master: Well, cost them a lot more, I don't care about it.

Mr. Ransom: It costs them less.

The Master: The point I am getting at is this, you can't get any more from a witness than when he has told you the way his mind operates. This witness has, in fact, told you that they considered it, and they did not believe it is good judgment, they do not believe it is good business judgment, and they would rather pay more to

12607

the Standard Oil Company for the oil stored by them and delivered as they need it, than to build these tanks themselves. They think it is better business.

Mr. O'Brien: That is a general proposition, but I want to find out on cross-examination the premises on which that judgment is based.

The Master: I won't allow any more questions. It is pure judgment, and pure argumentative questioning when you follow it out.

Mr. Ransom: I do not think your Honor has stated what the witness has said. He has not 12608 said they are willing to pay more.

The Master: I will assume it.

Mr. Ransom: He does not say it.

The Master: Suppose he does not?

Mr. Ransom: Well, it would not be true.

The Master: That don't make any difference.

Mr. Ransom: I don't want your Honor to take a false premise.

Mr. O'Brien: Your Honor, Judge Ransom and the witness and you and I are all in disagreement now.

The Master: I won't hear any more on this line. 12609

Q. I will ask the witness whether the last two answers made by your Honor are his answers.

The Master: You need not answer that. I say the subject is fully covered. I have stated to the extent the witness testified to be a fact. I may be wrong about it. If I am wrong, I am wrong.

Mr. O'Brien: I respectfully submit, your Honor, that as to that conclusion we ought to find out whether it is based on logical premises.

12610 Walter R. Addicks, Cross.

The Master: I say we have had enough of it.

Q. Will you state now, Mr. Addicks, getting back to the point where you said you could not carry everything in your mind, whether we may find in the files of the company any written reports made by engineers or by builders, or anybody else on the proposition of having your own storage tanks to take care of that oil?

A. I have no doubt you will have some records with respect to this particular letter I have referred to ad-
12611 dressed to the Public Service Commission, as to the possibility of a three-month storage of oil at our plants.

Q. You are in doubt about the existence of such reports?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Was this matter taken up and discussed by the executive committee?

The Master: Objection sustained.

Mr. O'Brien: Your Honor, they might have their discussions, these engineers, and I want to bring it home to the company.

12612 The Master: I rule that it is fully covered and that I will not permit any further cross-examination on this line.

Q. Were you authorized to send the communication you did to the Public Service Commission?

Mr. Ransom: He has not said he sent any.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Was the letter sent by you or by the company in your name, or by Mr. Cortelyou?

Mr. Ransom: The letter will speak for itself.

The Master: I will allow the witness to state if he knows or recalls.

A. The authorized officer to communicate with the Public Service Commission is the secretary, and my present memory is it was put in the regular course of business and signed by the secretary. That is my opinion of it.

Q. What do you mean by "homogeneous oil"?

A. Homogeneous oil is intended to provide for an oil that has not extreme qualities of oil.

The Master: That is rather meaningless to me, Mr. Addicks. 12614

The Witness: Well, a straight run oil is one that in the course of distillation comes off at certain definite temperatures. The oil companies will not contract for oil of that quality, and homogeneous oil is a term which has been used in some contracts to make such a provision that we could raise the question in case the oil was of such wide diversity in distillation operations, that we could raise a question with the company as to whether that quality is what is provided for in the contract. It is further strengthened in the contract of 1914, 1915 and 1916 by guaranteeing a result in the operation of the plants. 12615

Q. Is that a term generally used in oil contracts, or is it peculiar to your contracts?

A. That term was used in the contract which preceded the contract that I made in 1905—in the contract that preceded mine in 1905, but—

Q. Is it not a fact that you are the inventor of that term?

A. Wait. (Continuing.) And in connection with the words "straight run" in the following contract they declined to put in that term and they only permitted me to use the word "homogeneous."

The Master: Am I to understand that homogeneous is an expression used in contradistinction from the words "straight run"?

The Witness: In the previous contract, your Honor, there was a letter signed by Mr. Gawtry, or referring I think to a letter of Mr. Gawtry, who stated they expected to receive a homogeneous straight run oil. No reply was ever received that I have been able to find. I remember very distinctly in the next contract they declined to bind themselves to what is generally known
12617 as a straight run oil, and homogeneous is a term which I maintained in the contract following the contract prior.

Q. Did your analyses ever show that you got a straight run oil?

The Master: He does not expect to get a straight run. Do you expect to get straight run, Mr. Addicks?

The Witness: Under that contract I could not demand a straight run oil, and I do not make the analyses and I cannot say whether our analyses have shown that from time to time or not.

12618 Q. Don't you go into the analyses for yourself? Don't you find out what they have to report from the laboratory?

A. I have some here if you want them.

Q. No, I am asking you, Mr. Addicks. Do not get back to the vest pocket.

A. Well, I have them here if you would like to have them.

Q. I am asking you whether it is your practice to find out anything about the analyses of oil?

A. Mr. O'Brien, my practice as a practical gas engineer is to have an oil that will produce results irrespective of anybody's theories, and when Mr.

Williams offered me a certain oil in one of these contracts that I have referred to, in a letter that I wrote to President Cortelyou, they offered a 36 gravity oil and it was a change in quality and I would not receive that until I had made a test on a large scale, and that test was made in two plants, at 99th Street and 21st Street.

Q. Then I am to understand from that you pay little regard to the laboratory test, but you would rather depend upon the actual tests in the works; is that right?

The Master: One moment, Mr. Addicks. Objection sustained. 12620

Mr. O'Brien: The witness is anxious to answer, your Honor.

The Master: But I am anxious to get this case speeded up. I think you have about exhausted the cross-examination that I am going to allow.

Q. Will you state if that test at the works was made in the actual making of gas, or whether it was a chemical test?

The Master: Objection sustained. The witness has said it was tested out on a large scale at these two plants.

Q. You keep the results of these tests in your files? 12621

A. I have them here

Q. How far back do your tests run?

The Master: Objection sustained.

Q. Have you kept samples of oil from year to year, or are those samples destroyed?

The Master: Do you run the laboratory?

The Witness: No, sir.

The Master: Objection sustained.

Q. Do you know whether the company, or any of the employees of the company, have preserved the samples of oil for each contract?

The Master: Objection sustained.

Mr. O'Brien: Exception. Your Honor, we are asked here to take these contracts, and we are asked to assume that the oil was delivered as per contract. It is a vital matter to know whether they got the oil of that kind they bargained for—all important. They may have gotten an inferior article, for all we know.

The Master: Go ahead.

Q. Is all the laboratory testing of oil done at Astoria?

12623 The Master: Objection sustained. This subject has been fully covered.

Mr. O'Brien: Exception.

Q. Your letter of July 28, 1916, being Exhibit 292, addressed to the Sun Company, starts with the expression, "Referring to your communications prior to this date." Have you got those communications here?

A. No.

Q. Where are they?

A. I do not know; they may be in the files.

Q. Why were they not produced?

A. Why?

12624 Q. Why?

A. I think those communications refer to prior times, when they indicated they would be glad to receive inquiries for oil, and have nothing to do with this case.

Q. Will you state that there are no other letters in existence besides some letters of a prior date indicating they were in the oil business?

The Master: Objection sustained. The subject whether these holders contain all the correspondence affecting these years has been fully covered.

Mr. O'Brien: There is the letter, your Honor (handing to Master).

The Master: I heard it.

Mr. O'Brien: And ordinarily reasonable and sane man would not expect this reference here; the letter of July 28, 1916, may have been for something that they may have received a circular letter about years before.

The Master: I can readily understand how in writing this letter they had in mind not letters but inquiries from the Texas Company or other companies saying, "We would like to sell you some oil, or do business with you." Having that in mind the man said, "Referring to that communication what can you do about it"? 12626

Q. Will you state, Mr. Addicks, that there was not some specific letter just prior to this date that they addressed to you on the subject of oil?

Mr. Ransom: I object to that. It has been fully covered.

The Master: Objection sustained. That has been very fully covered. When I say I am going to give you wide latitude I do want to waste time on something that has been covered over and over again. 12627

Q. What did you mean in this letter where you said in the last sentence, "Do you make any guarantee with respect to the results a gas company could obtain from your material"?

A. Because I had in the contract with the Standard Oil Company of New Jersey a guarantee.

Q. As to results?

A. As to results.

Q. What was the guarantee?

A. The guarantee that it should be as good as the results of the prior year.

Q. Did the Standard Oil Company of New Jersey know what your results were in the previous year?

A. No, but they guaranteed they would give it. At the time that I put that in they were discussing Mexican crude and other things, and I was not going to take any chances with the Consolidated Gas Company.

Q. When you were talking with Williams leading up to that contract with the Standard Oil, did you give him in any kind of form or shape information that indicated the results that you got from that oil

12629 under the prior contract?

A. No, because I think that Mr. Williams had supplied a great deal of the oil that we had received the previous year and knew as much about it as I did.

Q. In writing to these companies whose competition you say you sought, did you give them any idea of what results you would expect?

A. I do not recall any inquiry. The Texas people did not ask me about that. I do not recall any.

Q. When you sent them your communications did you give them any of this information that might enable them to make a contract with you?

A. I asked them what guarantees they would give,

12630 if they gave any. I did not specify the guarantees I would ask. I wanted to know what guarantees.

Q. Did you have any conversation with the representative of the Sun Company?

The Master: Objection sustained upon the ground that the witness has said over and over again that he talked with just two men, Williams and O'Malley, and nobody else.

Mr. O'Brien: I appreciate that fact, your Honor, but from time to time Mr. Addicks' memory fluctuates, he gets refreshed now and

then as he goes along, and reverts to previous testimony and changes it a bit.

The Master: Unless I am entirely mistaken my memory is pretty constant.

Q. Who is the Sun Company? Who are the officers of the company?

The Master: Objection sustained.

Q. Is it a company that sells large quantities of oil?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Do you know anything about its capacity to sell large quantities of oil? 12632

The Master: Objection sustained.

Mr. O'Brien: Your Honor, this goes to the question—

The Master: We have been all over it.

Mr. O'Brien: Not in my form.

The Master: Well, it is in my form. There is no form about getting at a fact. The witness has testified about the Sun Company and all he knows about it three days ago. I don't want it in some other form now.

Q. Why didn't you write to other oil companies? 12633

The Master: Objection sustained.

Mr. Ransom: It is fully covered.

Mr. O'Brien: Exception.

The Master: Go back to last Thursday and take the record and read it in, if you want to do that.

Q. Why didn't you put your communications to Williams of the Standard Oil in writing?

Mr. Ransom: I object to that on the same grounds.

The Master: Objection sustained.

Q. In speaking about asking for quotations in your

testimony you referred to reliable quotations. What did you mean by that?

A. I have some information that I have obtained from various sources the understanding that quotations for gas oil are not a matter which is the same as the quotations for other supplies, and it is not like some other things, that you can go to the market and say what the value of that particular product is. A quotation made at the time of the making of a contract is the only quotation which I can rely on, and it may vary from time to time, from month to month
12635 and from season to season.

The Master: In other words, your position is that you can go into the Pennsylvania fields and see what everybody is selling that grade of oil for, and you can go into the Texas field and see what people are generally paying for crude oil, but you cannot do that with gas oil?

The Witness: That is true.

The Master: And if anybody attempts to quote it in any trade paper that it cannot be done accurately?

The Witness: That is my understanding.

12636 Q. Have you any idea of the oil business done west of the Mississippi?

The Master: Objection sustained.

Mr. O'Brien: The great mistake your Honor makes is in always assuming from the question, the answer.

The Master: I am probably making a great many mistakes.

Mr. O'Brien: You can't figure out always just what the question is going to lead to.

The Master: You had better hand me a question that I can figure on, because I am going to

sustain objections to questions that I can't figure on.

Mr. O'Brien: The witness has bade the declaration here, as an oil expert, that you have got to have it all from the same company or the same field, or words to that effect.

The Master: Next question.

Q. Are you the W. R. Addicks who served on a committee to investigate matters in connection with gas making with the gas making industry, with other representatives of gas corporations, and some representatives selected by the Second Public Service 12638
District?

A. I am.

Q. Don't look at counsel, look at me?

A. I was told not to answer questions until I gave an opportunity to counsel or his Honor, to object.

Q. Who told you that, Mr. Ransom?

A. No, I was told in court here.

The Master: I told him a few minutes ago not to answer questions until I told him.

Q. You said, "Yes," did you?

A. Yes.

Q. Who is Mr. Beale, is he an acknowledged gas 12639
engineer?

A. Mr. Beale is, I think, the president of the Newburg & Poughkeepsie Company.

Q. Has he been in the gas making industry many years?

A. Yes.

Q. His opinion is worthy of serious consideration?

A. Yes.

Q. Would the same be said of Mr. M. J. Brayton?

A. Yes.

Q. And H. H. Crowell?

A. H. H. Crowell was an engineer of a division of the Public Service Commission and served on that committee in virtue of that position.

The Master: He was not a gas man?

The Witness: I don't think his principal business was gas, but electricity, but he had a great deal of knowledge about gas from being in the Public Service Commission.

By Mr. Ransom:

Q. That is the Commission for the Second Dis-
12641 trict?

A. The Commission for the Second District.

The Master: You would not say that his judgment was as reliable as Mr. Brayton's, for instance?

The Witness: Well, on certain matters he was reliable, undoubtedly, but whether it was on manufacturing I question.

By Mr. O'Brien:

Q. Mr. J. C. DeLong?

A. Yes. He was president of the Syracuse Company.

12642 The Master: You think his judgment is all right?

The Witness: I think his judgment on gas matters in general—I—I don't know about specific matters.

Q. And Mr. A. H. Elliott?

A. Excellent. He was the chemist of the Consolidated Gas Company.

Q. You give him 100 per cent?

A. 100 per cent.

Q. Mr. Klumpp?

A. None better.

Q. What are his affiliations?

The Master: I don't care. The witness says he thinks he is all right.

Q. Mr. C. H. Leonard?

A. Very good. He was engineer for the Commission, and I know that he had had good experience in gas manufacturing.

Q. A well equipped man by reason of his technical training?

The Master: He says he is. You need not answer that.

Mr. O'Brien: Well, your Honor is confining this to narrow lines. This is an important matter, just about a million dollars hinges on this. 12644

The Master: Let us have the three million dollars; that is what I am looking for.

A. William McClelland was also on the committee by virtue of his position with the Commission, and I think Mr. McClelland is more largely identified with electricity than with gas, but has had a great deal of experience in gas matters by virtue of that connection, and I think others.

Q. W. T. Morris?

A. W. T. Morris is an officer of one of the companies up the state—

The Master: Is his judgment good? 12645

The Witness: His judgment is good, but I am not familiar with his experience particularly. He is the head of one of the companies.

Q. R. M. Searle?

A. Most excellent.

Q. What is his connection?

The Master: No, I don't care for that.

Q. Mr. C. H. Stone?

A. Mr. C. H. Stone has very large experience. He was inspector for the state of Massachusetts, gas in-

spector; he was also gas inspector for the Commission, and he has practical knowledge of the manufacture of gas as well.

Q. And his judgment would carry great weight, as would the judgment of all these men?

A. Mr. Stone's judgment I consider very good. I do not like to characterize my opinion of all these gentlemen, but at the same time, I am answering these questions.

Q. Well, you can say it in euphonious terms.

The Master: I got the impression that you
12647 think this was a pretty good committee?

The Witness: Yes, and I do not think the Commission for the Second District would permit it to serve if it did not think so.

Q. Mr. C. H. B. Chapin, the secretary of the Commission—was he just a perfunctory secretary, or was he an engineer also?

Q. He is an electrical man largely, but he is secretary of the Empire State Gas & Electric Association, and occupied largely in that capacity as secretary.

Q. What is that, an association of gas and electric light companies?

A. Yes, throughout the state of New York ex-
12648 clusively, and very largely outside of the Metropolitan District, although a great many of the Metropolitan companies are members of the association. I do not know that all are.

Q. They meet in convention, do they, at frequent intervals?

A. They meet at intervals.

Q. And exchange views on subjects relating to the gas making in that district?

Mr. Ransom: I object to the question as immaterial.

The Master: Objection sustained.

Q. Tell us about this Commission, Mr. Addicks.

The Master: What do you want to know about it?

Mr. O'Brien: I want him to tell your Honor just the character of the Commission and the length of time they served and the investigations they made—I don't mean by writing a book—

The Master: What is the real point you are getting at now? Did this Commission make a recommendation of some kind?

Mr. O'Brien: They put this in cold type here.

The Master: On what point? 12650

Mr. O'Brien: Upon several points in relation to—

The Master: That Commission examined into some of the points involved in gas making, Mr. Addicks?

The Witness: Yes.

The Master: And as the result of investigation and conference and exchange of thought and judgment, these gentlemen made a report?

The Witness: To the Commission.

The Master: All right, we have that.

Q. And you signed that report as one of its members? 12651

A. I did, and as chairman.

Q. And you concurred in the conclusions that were set forth in it?

A. Yes, I was chairman of the committee and concurred in it. I say I was chairman. I was chairman at the time the report was made, but I was not chairman during the whole period of the investigation.

Q. You took part in its deliberations and investigations?

A. Yes.

The Master: And joined in the report, and the report reflects his judgment.

Q. I read you a paragraph marked 30 on page 11, as follows:

"Any enrichment is expensive, and it has been shown above that it is becoming more and more so with the increasing price of oil. It is safe to predict that if the present price of oil continues, carburetted water gas will no longer occupy the important position that it has for some years past in the gas industry. Indeed, the idea is now taking firm hold, that owing to the oil
12653 situation, with the practically inexhaustible supply of gas coal now in sight, the gas industry must depend upon coal gas of some sort for the bulk of its output and use water gas as a reserve. In any case, excessive enrichment is useless and unsatisfactory, especially in connection with modern gas appliances."

The Master: Now, what is the question.

Q. That expresses your views, Mr. Addicks, upon the subject mentioned?

The Master: He has already said that.

Mr. Ransom: I object to that.

The Master: He signed that report. How is it in conflict with anything he has said here?

12654 Mr. Ransom: It is not cross-examination.

The Master: It may be, if it contradicts anything that he has said.

Mr. Ransom: It does not contradict anything he has said.

Q. I call that excerpt that I have just read, to your attention, Mr. Addicks, and I ask you whether or not you entertained those views at the time you made your oil contracts in 1914, 1915, 1916, 1917, 1918 and 1919?

Mr. Ransom: I object to the question. It is not cross-examination. It is immaterial, it is in-

competent. What counsel is trying to do is by artifice to get into the record fragments of a document from which he is reading without—

The Master: He can't get in fragments.

Mr. Ransom: That is what he is doing.

The Master: I will let you put in the rest of it.

Mr. Ransom: I do not desire to put it in. It does not bear on the issues of the case.

The Master: If there is any part of it that is proper from Mr. O'Brien's point of view, which is explainable by some other part that he does not 12656
put in, you can put it in.

Mr. Ransom: It does not bear on the issues of the case.

The Master: I don't see how it does.

Mr. O'Brien: It has a whole lot of bearing.

The Master: How.

Mr. O'Brien: Counsel perhaps cannot see the light as quickly as others can. It has this bearing. The witness is on the stand on the question of oral contracts, which involves the proposition as to the wisdom. How far do these contracts serve the purpose of the lowest price of manufacturing case, were they wise, were they eco- 12657
nomically made, were they provident? Was the witness correct in the statement he has made as to the amounts of oil he should buy?

The Master: What page was that?

Mr. O'Brien: Page 11, and there are some other parts that I want to read.

Mr. Ransom: This report goes to the wisdom of the 22 candle power law. It may very likely be true that the companies who sell gas oil are the principal beneficiaries of a 22 candle power law. It may very well be true, and the witness would

say it is true, what in effect he says in this report, by way of attack upon the 22 candle power law. We are not in this case attacking the 22 candle power standard. This is a report which deals with the unwisdom of a law which compels us to use so much gas oil.

Mr. O'Brien: Are you through, Judge?

The Master: I don't want you to get started for a minute either.

Mr. O'Brien: No, but he ought to make some signal there. He takes the long, heaving breath-
12659 ing spells, and we never can tell when he reaches a period.

The Master: I want you to hold your horses for a minute.

Mr. O'Brien: I want to say—

The Master: I know you are always trying to say something, but I want to read something. Give me a chance.

Mr. O'Brien: This will further explain my position—

The Master: No, I will get your position when I read this paragraph to see what it has to do with it.

12660 This report had to do with the candle power of gas required by the State law.

By the Master:

Q. Is that so, Mr. Addicks?

A. In this way, your Honor: It was advocating the increased use of coal gas, and the decrease of the amount of oil to be demanded by the companies as an economic proposition.

Q. The amount of oil to be demanded by the companies?

A. To be demanded and necessary for the companies. In other words, the more coal gas you make,

the less oil you would have to buy, and my effort was put in that direction.

Q. That had been your judgment for some years then?

A. My judgment is that the one thing that is important in the future of the gas business is coal gas, and I think that the companies ought to be permitted to make more coal gas, and in order to make more coal gas it would be necessary to follow out the recommendations appearing in that before. That perhaps is not the question here in regard to our present situation, but that report was submitted to the first district, and 12662
they joined in the conference with the second district. The second district adopted the report in a modified form, and the first district did not.

Q. That is beside the question. Mr. O'Brien asked you whether you entertained the same views from 1913 to 1919, as you appear to have entertained here. I understand you to say you did?

A. I have the same views today.

Q. Tell me, why did you have any difficulty in the manufacture of coal gas?

A. If you take coal gas and attempt to distribute it at 22 candle power, you will get a gas which the consumer will cry out about as being bad gas. 12663

Q. In what respect?

A. Because coal gas normally is made so that it tests somewhere around 16 candle, and when you attempt to enrich it to as much as 22 candle power, it will smoke everything in your house, you will ruin your curtains and hangings and stop up your burners, and stop up your gas stoves and everything of that kind.

Q. Can you make this water gas at 16 satisfactorily?

A. You can make water gas of 16 satisfactorily, yes.

The Master: What I cannot get quite clear in my mind is Mr. O'Brien's argument that you should go back to coal gas. He seems to be advocating it in view of his pressing this question on you. What is your point? Suppose this witness has advocated now, and for some years past, that there ought to be coal gas instead of water gas, how does that affect his buying oil, so long as he has got to use oil?

Mr. Hayward: But he has to use four times as much on water gas as on coal gas to obtain this
12665 result?

The Witness: No, not quite that.

Mr. Hayward: Pretty near, one and a half gallons to five, isn't it?

The Witness: One and a half to about four and a fraction.

By Mr. O'Brien:

Q. You have had the same opinion right through these years?

The Master: He has answered that.

A. I am of that opinion today.

The Master: And you have had it through these five or six years?

12666 The Witness: Yes, and our difficulty in manufacturing the quantity of coal gas still exists.

The Master: It requires a good deal more oil, Mr. Addicks, does it, to make water gas, than coal gas?

The Witness: Yes, sir, and the water gas you start off when you put the steam through the generator, it is disassociated and becomes carbon oxide and hydrogen. That is a non-luminous flame so that flame starts out at zero candle power, and then you mix with it a certain proportion of oil gas, which is done practically, not by measure-

ment, in the same apparatus, so that it will be of a required candle power. The candle power of water gas is usually somewhere around 24, 25 or 26. In coal gas you put the gas coal into the retort, you heat the retort, and that drives off the volatile products in the gas coal, which is usually about 34% of the coal, differing from steam coal which is materially lower, probably 16 to 18, although some of them undoubtedly are somewhat higher than that. Now, that gas, when it comes off, comes off in the retort at a high candle power at the beginning of the heating 12668
process, and gradually reduces until the end; but taking it by and large, and the average it would be about 16 candle power. Now, that 16 candle power—I am talking about the ordinary gas plant—if you have a gas plant which has very high heating ability you can drive off more of that gas, and then your candle might be say 13; but I want to direct your attention to the fact that the candle powers I am speaking of, the higher ones, are those which are measured on what we know as an Argand burner. The Argand burner was a burner which was in common use when I was a boy. The flat flame burner came in when higher 12669
candle powers were used. That Argand burner is the standard burner, for instance, in the State of Massachusetts. It is the standard burner in the State of New York for measuring coal gas. The Argand burner differs; there are several features to it. There is the D and the F and the Metropolitan Standard burner; and all these will give some different qualities of candle power. In the State of Massachusetts one particular burner is used as a standard, authorized for a comparison.

Mr. Hayward: What kind of a jet does that make?

The Witness: It is a circular ring which has a multiplicity of very small openings, and the gas issuing from these small openings in a circular form, forms a complete round flame. The number of openings vary according to whether it is D, E or F. That is used, as I say, for measuring coal gas. Now, having gas at 16, as that report says, it is perfectly satisfactory for commercial use. When you have a candle power standard
12671 higher than that, you immediately must go on buying oil. This report recommends against the necessity of buying oil. You can carry that candle power very satisfactorily up to around 17. The moment you go beyond 17, to 18 and approach 19, you get into trouble. That I have had personal experience in, and when you get into 22 it is practically a prohibitive gas to serve to the public unmixed with some other gas.

The Master: I do not want to open up a line of inquiry away from what you are working on, but I just wanted to get this in my mind.

Mr. O'Brien: Just bear in mind now the place
12672 where you said you had experience with it. I want to ask you about that later.

The Master: That is just what I am going to let you do. I want to ask this one question: So long as the 22 candle-power law is on the books it practically forces you, assuming that your contention is correct that it creates smoke and is annoying if it is over 16, 17 and 18 by enriching the oil—it practically forces you to make the water gas; is that your idea?

Mr. O'Brien: I object to your Honor's question.

The Master: I am asking for his judgment for a second. If you really do not want it I will withdraw it and strike it out. I am asking for information.

Mr. O'Brien: If he takes that position I want to record my objection to it. He can express himself with my exception on the record. I do not want to be inconsistent, but that is going to be an important matter in this case.

The Master: I had these questions in mind and I intended to hold them back for Mr. Woods, who I assume is the proper man to ask about it; but 12674
your asking questions from this book led me to ask those I have. Let me hear what Mr. Addicks says. Do I understand this report is based on the proposition practically that so long as 22 candle power is required it forces the companies to make water gas?

The Witness: It does.

The Master: That is your view of it expressed in that report?

The Witness: Yes, it is.

Mr. O'Brien: What is that, your Honor?

The Master: That it forces them to make water gas instead of coal gas. 12675

Mr. Hayward: I was going to say as long as you have gone thus far in this thing, Mr. Addicks ought to be allowed to say, in order to say the amount of gas oil necessary to use to enrich the coal gas up to 22 candle power, as compared with the amount necessary to enrich water gas, which I think will be found to be one and a half—

The Master: No, I will not do it.

Mr. Hayward: Why not?

The Master: Because I think the proper time to do that is when Mr. Woods is on the stand.

He will know all about that. I am sorry I digressed.

Mr. Hayward: But we have gone into it.

The Master: This report is what led me to ask the questions. If you did not want me to I will instruct the stenographer to strike all my examination physically from the record rather than open up a discussion at this time.

Mr. O'Brien: If Mr. Addicks' statement is going to stand, his expressions about coal gas, I want to ask some questions. He said something
12677 about it smoking.

The Master: He said when you enriched up to 22 candle power it smoked.

Mr. O'Brien: It still smokes then?

The Master: That is what makes it smoke, as I understand it. Isn't that so, Mr. Addicks, in your judgment?

The Witness: It commences to smoke at 19 and gets worse and worse as it raises in candle power.

Mr. O'Brien: Where did you find that?

The Witness: I found that in practical use in Boston.

12678 The Master: If you think what I asked requires a cross-examination I will strike it physically from the record.

Mr. Ransom: It is this report that opened it up. If your Honor is willing to go into those broader things at this time I have not any objection.

Mr. Hayward: I not only do not want it stricken out, but I would like to get some of the technical gas making from this witness.

The Master: I will let Mr. O'Brien finish his examination to find those three million dollars.

Then we will see what we will do with the rest of it.

Mr. O'Brien: First I will offer this section, paragraph 30, page 11, of a report entitled "Investigation of the Conditions Governing the Choice of a proper Quality Standard for Artificial Gas, with conclusion and recommendation of the Joint Committee on Calorimetry of the Public Service Commission and Gas Corporations in the Second Public service District, New York State," in evidence.

The Master: I will not take it, Mr. O'Brien, 12680
because that section has reference to other sections which it would be necessary to have in order to understand what that one means.

Mr. O'Brien: Very well, but I thought I better identify it. It has been incorporated in my question anyway.

The Master: Yes, we have read it in. The next question.

By Mr. O'Brien:

Q. Mr. Addicks, is Col. Hayward's statement correct as to the amount of oil used in the coal gas, one and a half gallons?

A. I would not like to be held to a specific figure. 12681
I have a specific figure. I know where I can get a specific figure.

Q. You know you have one at Astoria, don't you? It was about one and a third gallons, was it not?

A. You are asking me now about a specific number of gallons and tenths. With water gas I should say somewhere around 4, 4.10, 4.15 or something of that nature.

Q. I did not ask you about water gas, I asked you what was the amount of oil usually used in the making of coal gas?

A. None.

The Master: What amount would it require to bring it up to 22?

The Witness: The enrichment is not measured separately from the water gas, but the amount attributable to enrichment of the coal gas would be somewhere I think between one and one and a half. I would like to absolutely confirm that figure.

Q. It was one and one-third at Astoria, if that refreshes your memory.

A. Well, I had a figure that I had made, the aver
12683 age for five years, and if I could remember that figure I would be very glad to give it to you.

Q. That was at Astoria, was it?

A. It was at Astoria and also at the Central Union and also at Ravenswood to a degree.

Q. When you made coal gas at 42nd Street and at 14th Street you did not use any water gas with it?

A. Yes, we did.

Q. When?

A. All the time.

Q. Are you sure of that?

A. Yes.

Q. Is the idea that you mean to convey to the Mas-
12684 ter on that, Mr. Addicks, that it was mixed with it in the mains somewhere?

A. Mains or holders.

Q. That was a matter of convenience to the plants that made the water gas, was it not?

A. A matter of convenience?

Q. Yes.

A. No, that was a matter of wise management in sending out a gas that combined coal and water that would give 22 candle power.

Q. Is it not a fact that you had your enriched coal gas in the 14th Street and 42nd Street plants which you delivered to your consumers as such?

A. No.

Q. Is it not a fact that the other only became incidentally mixed with it at some place?

Mr. Ransom: I raise the question whether your Honor wishes to go into it. I am entirely willing if your Honor feels you should.

The Master: I will allow that question.

Mr. O'Brien: I want to argue that out with you. What I am going to object to right along is this idea of Mr. Ransom that he is going to try this case by shutting off one witness when we come to examine him and saying "I have another 12686
man that plays that part."

The Master: I have heard that before. Next question.

Mr. O'Brien: They say, "We do not want Addicks on this, we want Woods for that part."

The Master: Next question.

Q. Coming back to the 14th and 42nd Street plants, isn't it a fact that the gas from those plants goes directly into the mains without being—

The Master: I will sustain that objection.

Mr. O'Brien: Now, if your Honor please, the answer of the witness to a question involving part of the same idea was not definite. 12687

The Master: Objection sustained.

Mr. O'Brien: And the question is whether he has tried to give you the idea that they could not send this gas out without having it mixed with some water gas.

The Master: It does not even cross-examine on what I asked him. Objection sustained.

Mr. O'Brien: Exception.

Q. Do you know where the testing stations are, the city testing stations, of your gas, in the City of New York?

Mr. Ransom: I object as not within the scope of direct or cross-examination.

The Master: Objection sustained. All I asked him was the difference between the making of water gas and coal gas.

Mr. O'Brien: Well, then, am I to understand your Honor has stricken your matter from the record?

The Master: No, I am ruling this out as not proper cross on even what I asked.

Q. I call your attention here, Mr. Addicks, to the
12689 report of the Department of Water, Gas & Electricity, showing the results of tests made in March, 1918, of the Consolidated Gas Company's gas at the Grand Street testing station. I will ask you to look that over.

Mr. Ransom: I object to it.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Isn't the gas of the Consolidated Gas Company which is tested at the Grand Street station by the city authorities, the gas that is made at the 14th and 42nd Street plants, or either of them?

Mr. Ransom: I object as not within the scope
12690 of the direct and cross-examination.

The Master: Objection sustained.

Mr. O'Brien: Well, your Honor, these questions all bear upon the proposition that he has made a statement to you. You brought it out.

The Master: What?

Mr. O'Brien: He has made a statement that this gas had to be enriched, or not that they enriched—the coal gas enriched with oil had to be mingled with water gas somewhere before it went to the consumer.

The Master: Well, I did not bring that out at

all. You brought it out. I did not bring it out at all.

Mr. O'Brien: Well, whether you brought it out or I did, he has made the statement, and I want to cross-examine him on it to know why it may be and on what it is based.

The Master: I won't let you cross-examine on matters you bring out yourself.

Mr. O'Brien: Well, I am going to ask him the basis of an opinion he expressed. I thought that would be perfectly proper.

The Master: Go ahead. 12692

Mr. O'Brien: Maybe if I am in error, I will pass on to some other question. Isn't that—

The Master: You better do it.

Q. Did you make that statement, Mr. Addicks?

Mr. Ransom: I object to the question.

The Master: Objection sustained. You had better pass on to something else, because I will not let you go on on that line.

Q. Do you know where the testing stations of the city are located?

Mr. Ransom: I object to that question as I have done before.

The Master: Objection sustained. 12693

Mr. O'Brien: Your Honor it would be admissible on other grounds. The witness has made contracts here where he has insisted on a certain quality of oil, he stated how it bears upon the results to see what quality they get. He has asked the competing companies to furnish the same kind of oil that they had formerly, an oil capable of producing the same results as were produced by other oil, and I have come now to ask him about the tests that have been made by the city.

The Master: I will stick to my ruling.

Mr. O'Brien (continuing): Of the Gas Consolidated Gas Company's gas, not the affiliated companies, but the Consolidated Gas Company, and perfectly proper for me to bring out just what those tests show.

The Master: I stand by my ruling.

Mr. O'Brien: Exception.

Q. Mr. Addicks, before making contracts in which you set forth quality of oil, and refer to the quality previously had in the oil used by the company, did you consult the city records to learn what the tests
12695 showed of the quality of gas rendered by your company to your consumers?

Mr. Ransom: I object to the question as immaterial.

The Master: I will allow that question.

A. I know the city record from time to time. I do not require to consult them.

Q. Did you make it a business of looking these matters up before you made your contracts?

Mr. Ransom: I object to the question.

The Master: I will allow that question.

A. I make it my daily business.

Q. Do you get a report daily from the city of the
12696 city's tests?

A. The city sends a postal card which purports to represent the candle power of the gas that it finds, and I know of that report.

Q. They send that every day?

A. No.

Q. How frequently?

A. They do not send it on Sundays and they do not send it on holidays. They send it on other days.

Q. When you get a report from Branch 3, showing the quality of the gas as tested by the city authorities, what plant do you assume that that gas comes from?

Mr. Ransom: I object to the question as not within the cross-examination.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. What do you understand to be Branch 3 of the Consolidated Gas Company?

Mr. Ransom: The same objection.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Is there any method by which gas may be pumped or transmitted to the 14th Street station from any other station of the complainant company or its 12698
affiliated companies?

Mr. Ransom: Object on the ground already stated.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. What is the method by which gas is commingled, the gas of the water gas plant with the gas of the 14th Street or 42nd Street plants?

Mr. Ransom: Objected to at this time on the grounds already stated.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Mr. Addicks, has the company, through its ex- 12699
ecutive committee or its officers, ever taken up the question of making coal gas, enriched by oil, entirely at the Astoria plant?

Mr. Ransom: Same objection.

The Master: Objection sustained.

Mr. O'Brien: Exception. Your Honor, this matter bears particularly on the question as to how much oil they contracted for, whether the expense that has been shown by the exhibit, so many dollars for oil, was wisely incurred; whether it was not the business of the company to adopt a

better and a less expensive method of producing gas than was adopted during those years. That is incumbent upon the complainant to prove. If there is a coal gas method, a coke oven method or any other kind of a method that might be used, whether it might—there is a method of making gas oil from crude oil, or gas from crude oil, and thus avoiding the expense of buying gas oil at the prices they paid—it is incumbent upon this complainant to satisfy the Court beyond a reasonable doubt as to that. Now, the company ap-
12701 parently has elected to spend the money that is set forth on this tabulation for gas oil. This witness was put on the stand to show not only they spent that money, but that they entered into contracts at certain prices and at certain times, and that those contracts were wise and were provident and were economical, and that the system that was involved in the making of those kind of contracts was the best system of making gas that could have been adopted by the Consolidated Gas Company. Therefore I contend it is perfectly proper for me to ask this witness, who starts in by saying he is a gas engineer, who says in his
12702 testimony that he advises the president of the company, who says in his testimony he has taken part in the discussions of the executive committee, with regard to making contracts, I contend it is perfectly proper for me to ask this witness, how far did you and your confreres in the board of officers and the executive committee go into the question of making gas by some other methods or in some other ways in part or in whole, than the ways in which you did make it, and that is what this question brings up, and I contend, your Honor, it is perfectly proper, and I would like to

be heard upon that if you want to defer the matter until tomorrow morning.

The Master: No, I do not follow you on it, and I do not agree with you on it, and abide by my ruling.

Mr. O'Brien: The question of the wisdom of these contracts for oil for these years involves the question of the wisdom of their making gas by the method by which they made it.

The Master: I won't permit that line of cross-questioning at this time.

Mr. O'Brien: It is your idea to defer it until 12704
the witness takes up the question of toluol?

The Master: I don't know.

Mr. O'Brien: Until he gets back in the direct?

The Master: I haven't made any direction about toluol, and I do not for the life of me see how this question will have anything to do with the toluol question. It may have.

Mr. O'Brien: No, but I thought you wanted to allow them to bring it out in the direct testimony.

The Master: No. If you want me to express my opinion about it, I will give you the statement that I think you will get all this when Mr. Woods 12705
goes on the stand.

Mr. O'Brien: I want it from Mr. Addicks, because he made the oil contracts.

The Master: I won't permit it as cross-examination. You can call him afterwards as your own witness, if you wish.

Mr. O'Brien: No, but I do insist it is proper cross-examination.

The Master: I don't agree with you.

Mr. O'Brien: Unless they have put him on here just as they put a bookkeeper on, to say what prices they set forth in their contracts.

The Master: They put him on for more than that. They put him on to show the good faith of the purchases of oil, and the efforts he made to get it cheaper.

Mr. O'Brien: My contention is they should not have bought that amount of oil, and the reason for that is that they should have adopted another method, and he was in the councils of this company, and they should have discussed that, and it is perfectly proper for me to find out whether they did go into that, whether they were
12707 keen enough on the question of saving money.

The Master: That is not cross-examination. I can conceive it to be a proper element of proof for you.

Mr. O'Brien: That burden is not on the defendant, your Honor.

The Master: My judgment is that it is practically by way, if I may use that analogy, of confession and avoidance. Your position is this, by way of a plea, we will say, in an answer or in a defense in this case, "Why, assuming now, for the purpose of this discussion that you were clever in the purchasing of the oil, you should not have
12708 used so much oil at all; you should not have made so much oil gas, you should have made more water gas or more coal gas, enriched with some oil." That to my mind is a confession and avoidance and is not an attack upon their purchases of oil. That is my view of it. I may be wrong, but I will stand by my ruling.

Mr. O'Brien: Am I right in assuming from what you say, that you are holding that the burden is on the defendants of showing that they could and should have made gas by some other method?

The Master: No, I am talking about the cross-examination of this witness.

Mr. Hayward: Has this witness testified that the amount of oil he purchased was necessary for the business?

The Master: No, and that is why I won't allow this cross-examination. If he had, then I would.

Mr. Hayward: Then his testimony only goes to the price that was paid?

The Master: That is all, and as to the methods pursued in purchasing. 12710

Mr. O'Brien: Well, your Honor, don't you know, he has got a lot of testimony in here that they will argue, if the case closed today, "Why, you had our man who had entire charge of the oil contracts."

The Master: You are trying some other case; not this one.

Mr. O'Brien (continuing): He said he went into the requirements of the company. Now, the question of the requirements of the companies brings in that very proposition. He would have to be—

The Master: The requirements of the company from their standpoint of operating as they did, that is all. If you will only get this in mind, Mr. O'Brien— 12711

Mr. O'Brien: Counsel has not placed this limitation on the witness. If the Master is going to—

The Master: If you will only get this in mind, Mr. O'Brien, that before this case is finished there isn't going to be any play on words anywhere. If there is—

Mr. O'Brien: I don't follow you on that

proposition of tomorrow—tomorrow—tomorrow—

The Master (continuing): I am going to try this case in what I think is an orderly fashion, and if there are matters that are not perfectly clear to me when this case is finished, I am going to direct the witnesses to be produced. That is my view of it.

Mr. Hayward: Hasn't he testified that these were the oil requirements of the company?

The Master: No. He said the oil require-
12713 ments based upon their method of doing business. In other words, they run their business as he has disclosed. Based upon that method of running their business, he estimated, or the engineers did, that that is how much they would need. Now, of course, if they were to run their business differently, and run their coal gas plants and enrich them to the extent 19 or 20 or 22 with smoke coming, it would be an entirely different question of requirements, but all he has testified—

Mr. O'Brien: Did you say, "smoke coming"?

The Master: Yes, on the testimony that he gives.

12714 Mr. O'Brien: I will ask him more about that smoke coming.

The Master: I am not going to let you.

Mr. O'Brien: Well, I note an exception, and you cannot get away with that, your Honor.

The Master: When we come to the question of the 22 candle power and the method of manufacturing and results obtained, I am going to get that proof, but this case is not going to be tried or decided upon any tricks, upon play upon words or tricks in the method of trying it. You cannot try this kind of a case that way. It is not a ques-

tion of a jury going out into a jury room and deciding a case by throwing ballots into a box and see how they work. This case is going to be decided upon facts.

Mr. O'Brien: Well, Judge Ransom did not say—

The Master: I may be conceited in what I am going to say, but I do not think they can fool me or you can fool me, about the facts.

Mr. O'Brien: Well, Judge Ransom did not say when he started in, that he called this witness to show that they made a contract. 12716

Mr. Ransom: Exactly what I did say. I announced when I put this witness on the stand that I limited his testimony to certain things under the Master's direction, that has been brought out.

Mr. O'Brien: Just as soon as you put the witness on and made a contract, impliedly, the question of the wisdom of the contract is involved with that witness. That is my contention.

The Master: Here is the situation. Mr. Addicks in his direct testimony has testified that during a period of years he was the man that was getting oil for the gas company, that based upon the vouchers and invoices that he has, he testifies 12717 that they bought certain quantities of oil at certain prices, and he produces those contracts, he likewise says that "I bought the oil from the Standard Oil Company because in my judgment it was the only company I could deal with satisfactorily to my company." He also says, "I sold certain by-products like ammoniacal liquor, drip oil, coal tar and water gas tar; I sold them at what I thought was the best price I could get, and I sold them to the Barrett Company, they have been buying them for forty years. I do

not know anybody else who could have handled them, except during the war conditions there may have been somebody else." Those are subject matters on which cross-examination must be directed, either as bearing upon the accuracy of this statement or as bearing upon the effort he made to get oil from some other company, and I am giving you very wide latitude on that, as to whether these letters were really intended to bring forth actual competition, or whether they were merely a method of supporting what he believed
12719 to be the fact anyhow, whether he had any hope that he would ever get any, or whether he really did expect to get some better offer, or anything of that sort, and it is fully covered; you have exhausted it. You have not said very much about the sale of by-products, and if there are any questions about that, I will let you ask him. And you have not attempted to attack Mr. Addicks on the basis of his unreliability in the sense that he is untruthful and his word cannot be relied upon, but if you have any views on that, and I have no knowledge, but if you have, within the range of decent cross-examination, as indicating that a
12720 man is a liar, I am going to let you show it, if he is unreliable. Beyond that, you brought out by way of cross-examination reports in which Mr. Addicks joined, in which he in substance said, as I gather it, that this whole water gas business is all wrong, we ought to be permitted to make coal gas, it would be cheaper, a 16 or 17 candle power coal gas is just as good as the 20 candle power gas the city compels us to give, and the people are compelled to pay for, we cannot make it 18, and it is just as good, but the city says it must be 22, and that is all wrong. In that con-

nection I asked him to state to me in a very general way the difference between the manufacture of water gas and coal gas and why it is that oil is not used in the coal gas, and he told me that. Now, insofar as that matter now stands on the record, I think that it really must stand as it is, because it was your cross-examination, and if there was anything to explain any further in detail as to that particular thing, namely, that water gas is made one way and coal gas made another, and that in his judgment the coal gas, when it is enriched to 22 per cent as borne out by this 12722
report, is an unwise thing, I should probably permit some questions, but I think you have exhausted all that, and I won't permit any more. Now, what is the use arguing it? I won't let you go into matters and tests that the city has made and the method of exchanging gas or enriching gas and all that sort of thing. That is a new field now, as I said before, in this case.

Mr. O'Brien: Your Honor, you brought that up yourself; you opened the door on it, on page 379; not today, but previously, in the minutes of October 2nd (reading):

"The Master: The second reason must be 12723
equally important. When you mix the gas of other companies you want uniform quality?

"The Witness: Yes.

"The Master: It is just as important as the supply, isn't it?

"Mr. O'Brien: Your Honor is putting the same expert opinion in this record.

"The Master: It is perfectly apparent.

"Mr. O'Brien: I am going to enter my objection and exception.

"The Master: If this company draws gas not alone from its own works but from other com-

panies, the value of uniformity in quality must play a part.

"Mr. O'Brien: I would not dare to assume an engineering knowledge of those things, and an idea of buying for a number of affiliated companies in order to get the right kind. That involves some very deep, vital, crucial questions in this case."

So you see, your Honor, you were right there in your questions as to the manner in which gas oil should be purchased, you went into the ques-
12725 tion of commingling the product of the different companies.

The Master: Talking about water gas all the time an entirely different subject.

Mr. O'Brien: Well, your Honor, I think, ought to strike out either the witness's testimony—

The Master: No, I will let the record stand as it is.

Mr. O'Brien: But this was preliminary only, because you are speaking about—

The Master: I did not intend to speak of it then, that is all.

12726 Mr. O'Brien: The Mutual has made coal gas for a number of years, hasn't it?

The Master: Don't answer that, Mr. Addicks. There is no use arguing it. The context will show.

Mr. O'Brien: I will take it up tomorrow morning.

The Master: No, I want to avoid it tomorrow. That is why I am spending ten minutes on it now. The text of that testimony will show the witness was testifying about borrowing gas from all these companies that make water gas where they use

gas oil, and I was referring to that, and that only. We might as well understand the situation now as to spend time on it tomorrow. I am not going to permit the cross-examination of this witness upon the technicalities of the gas making business. That has got to be left aside for the time being.

Mr. O'Brien: Are they going to get into that when they produce him?

The Master: Yes. You are going to get it before this case is finished.

Mr. O'Brien: From this witness?

The Master: I don't know. 12728

Mr. O'Brien: They said yesterday they would bring him back, and you gave them permission to use him and shut me off from cross-examination on the theory that he was coming back.

The Master: On the toluol.

Mr. O'Brien: On the toluol.

The Master: He is not coming back. He is going to stay here.

Mr. O'Brien: That is what I mean.

The Master: All right.

Adjourned until Thursday, October 9, 1919, at 9:00 A. M.

12729

Last Complainant's Exhibit 339.

Last Defendants' Exhibit LL.

CONSOLIDATED GAS COMPANY OF NEW YORK, ETC., *et al.* 12733

Before ABRAHAM S. GILBERT, Special Master.

New York, October 9, 1919.

Met pursuant to adjournment.

Present: MR. RANSOM, MR. VILAS and MR. GOETZ, of Counsel for Complainant.
MR. CHAMBERS, of Counsel for defendant Newton.
MR. HAYWARD, MR. CLARK and MR. NEUMAN, of Counsel for Public Service Commission. 12734
MR. O'BRIEN, of Counsel for defendant SWANN.

WALTER R. ADDICKS, resumed the stand:

CROSS-EXAMINATION RESUMED BY MR. O'BRIEN:

Q. How many times, Mr. Addicks, during your connection with the Gas Company have contracts with either the Standard Oil Company of New Jersey or 12735
the Standard Oil Company of New York been cancelled, abrogated or modified? Can you not tell me that without referring again to your black bag?

Mr. Ransom: I object to the form of the question.

Mr. O'Brien: No, I want this from the witness. I want it to appear and I want the record to show just how far he is able to tell us these things without referring to papers.

Mr. Ransom: The witness has a perfect right to refer to papers and the papers speak for themselves.

12736 Walter R. Addicks, Cross.

Mr. O'Brien: Certainly, and I will ask him: Can't you give me that from your memory, Mr. Addicks?

A. Mr. O'Brien, you asked me how many times. If you had asked me to enumerate the times I would have done it very quickly.

Q. Well, enumerate the times, then, if that is more convenient?

A. That is very much easier, because you have asked me how many times instead of to enumerate them.

12737 The Master: Can you enumerate them from memory?

The Witness: I can.

Q. Will you proceed to enumerate them?

A. I will.

The Master: To interrupt you, Mr. Addicks, there is not any criticism of a witness in failing to remember something and having to refresh his recollection by memoranda that he made, so you need not be at all backward in admitting that you do not remember something but could by looking at a memorandum. You need not be afraid of Mr. O'Brien's reference to the black

12738 bag.

The Witness: No, but I thought I could do it better that way.

The first contract that I made was a cancellation contract. There was a cancellation contract in 1914, 1915 and 1916. There was a cancellation contract this year.

Q. Those three statements embody all of the cancellations or abrogations or modifications of contracts?

A. That is all I recall at the moment, without refreshing my recollection.

Q. The first one at what time?

A. The one in 1905.

Q. You are not assuming that my question is confined to the abrogation of contracts, are you?

A. Yes.

Q. Give us the cases where they have been modified?

A. During the time I have been making contracts?

Q. Yes.

A. Contracts have been modified from time to time on account of change of freight rates and transportation rates. 12740

Q. I did not ask you why, but I asked you when?

A. I would have to refer to the correspondence to determine that.

Q. Will you refer to the contracts and tell us how many times?

A. I said I would have to refer to the correspondence.

Q. And the correspondence (handing witness papers). You brought all the correspondence, did you not, relating to oil contracts from 1905 to date, with you to court?

A. I brought everything. I called for all the contracts from the secretary's office and brought them 12741 here; yes, sir.

Q. I did not ask you that; do not try evade me, Mr. Addicks. I asked you about the correspondence, not the contracts. Have you brought all the correspondence relating to oil contracts from 1904 to date?

A. I have all the correspondence from 1904 to date with respect to these contracts that I know of.

Q. Where are the letters that were referred to in the letter I called to your attention yesterday, from the Texas Oil Company?

Mr. Ransom: I object to that question as already covered.

The Master: Objection sustained.

Mr. O'Brien: Your Honor, now I am asking about the whole period and I am trying to find out just whether he has brought all the correspondence. The letter that was addressed to the Texas Oil Company referred to letters received from—

The Master: I remember it perfectly. I ruled on that question. You asked all about it yesterday.

Mr. O'Brien: Exception.

12743 Mr. Ransom: The letter of the Texas Company did not refer to other correspondence. Is that all, Mr. O'Brien?

The Master: No, Mr. O'Brien is waiting.

Mr. O'Brien: You will know when I am through with the witness. You will not to have to ask me if it is all.

The Master: Proceed, Mr. Addicks.

The Witness: Your Honor, he has asked me a question that involves looking at all the correspondence. If there was any change in rates due to transportation of oil, that would be a change, a modification of the contract.

12744 The Master: And you are looking through them?

The Witness: I have got to go through every one of these, clear through.

The Master: All right, let us do it.

Mr. Ransom: I am not sure that a mere notification of a change in freight rates comes under the category of a modification of a contract.

The Master: I will let Mr. Addicks look through them.

Mr. Ransom: It is in accordance with the

contract, and the contract provides, in certain of them, if there are changes in freight rates notice shall be given that the change in the contract will be in effect. That is not a modification of the contract.

The Witness: May I make a statement?

Q. You have been looking through your papers now for some ten minutes, haven't you, Mr. Addicks?

The Master: We will permit Mr. Addicks to make a statement.

The Witness: Are your inquiries directed to 12746
the contract as affecting the Consolidated Gas Company?

Q. Why, yes.

A. Or outside companies.

Q. Well, I understood this collective bargaining was going on for some time.

A. Collective bargaining has been going on since 1911.

Q. Well, give us the modifications of your contracts from 1904 down to date, that affect the oil of the Consolidated Gas Company.

A. That will affect the oil of the Consolidated Gas Company? 12747

Q. Yes. Now, I might state this, so that we won't have a long delay. I don't want to have you interpolate that it was for raise in freight or anything. If you have a written modification, you can read it, and if it has to be explained, your counsel will take care of that. I say that because they are trying to read into this record, your Honor, to explain the decrease, say, in 1919, that was due to a decrease in freight.

Mr. Ransom: Why, there is no such suggestion. It was because they got a much better price.

Mr. O'Brien: Well, that was your play the other day, trying to emphasize the reduction in freight.

Mr. Ransom: I object to Mr. O'Brien's question, if he has one, on the ground—

The Master: He hasn't any question.

Mr. Ransom: Is there no question before the Court?

The Master: No. Mr. Addicks is still looking through the contracts to locate the modifications.

12749 The Witness: I still understand there are no modifications to be mentioned except as they affect the Consolidated Gas Company.

The Master: Yes.

The Witness: On May 10th—

Mr. Ransom: Just a moment. Is there any question before the Court?

The Master: Yes. He is asked to produce any modifications. On May 10th of what year?

The Witness: 1918.

The Master: There is a letter?

The Witness: There is a letter.

The Master: Affecting the terms of the con-

12750 tract?

The Witness: Affecting rates paid, not the terms.

The Master: What do you mean, the rates?

The Witness: That the rate of transportation was changed in accordance with the terms of the contract.

The Master: All right, go ahead.

Mr. Ransom: I take it your Honor is not ruling that is a modification of the contract?

The Master: I am not. The witness has said in accordance with the contract the rate of trans-

portation is changed. Why should I say it is a modification of the contract?

Mr. Ransom: Mr. O'Brien's question, if he had any question, applied to modifications.

The Master: Can't you state from memory, Mr. Addicks, whether during the years from 1904 to 1919, there was ever an occasion other than the 1914 occasion, when the prices was adjusted, at which there was any agreement readjusting the price?

The Witness: Contrary to the terms of the contract?

The Master: Yes.

The Witness: Yes, sir.

By the Master:

Q. Was there any?

A. No.

Q. Was there ever an occasion since 1914 that the character of the oil to be delivered under the contract was changed?

A. There never was an occasion, so far as I know.

Q. Was there ever an occasion since 1904?

A. I want to modify that. There never was an occasion, not "so far as I know."

Q. Was there ever an occasion on which the contract with reference to any of its terms as affecting the character of the oil, the quantity of the oil or the time of delivery or form of delivery or price to be paid was changed?

A. I do not recall a single change, your Honor, other than I have stated, except the change in freight rates and transportation rates.

Q. And the modification contract of 1914?

A. I stated that, I mentioned that.

Mr. Ransom: And 1919?

The Witness: Of 1919.

The Master: Next question, Mr. O'Brien.

Q. You have been looking through your correspondence here for pretty nearly an hour?

A. Yes, sir. I have not gotten to 1919, yet.

Q. If there was any such change as I have referred to in 1919, you would remember it without looking up correspondence, wouldn't you?

A. Yes, I think I would, because the only—

Q. Was there any?

A. The contract provided for a change in the price of oil in February.

12755 Q. Have you testified to that?

A. I have.

By Mr. O'Brien:

Q. You are talking about the contract for 1919, now?

A. Yes

Q. You say the contract called for a change in February, 1919?

A. The original contract of 1919, provided for a change in rate, and that change in rate was made, and at a later time the contract was abrogated and the reductions of 1 1/2 cents were applied to the amended freight rate.

12756 Q. What 1 1/2 cents?

A. 1 1/2 cents less than the price that oil was at that time.

Q. Are you trying to convey to his Honor now, the idea that there was a reduction in the price of the oil for the 1919 contract, simply due to change in freight dates?

A. No, I meant to convey the idea to the Master that we got oil for 1 1/2 less a gallon.

The Master: Than the contract provided for?

The Witness: It had nothing to do with the freight rate except the freight rates in existence at the time were used in the new contract.

Q. When did you arrange that reduction?

A. When did I arrange that reduction?

Mr. Ransom: I object to that as fully covered.

Q. You don't have to refer to a paper, Mr. Addicks.

A. Of course, I would have to refer to a paper for that date.

Q. For a matter of a few months ago?

A. Yes, you asked me a date.

Q. Can't you say it was the early part of January, or give it to us approximately?

The Master: The witness is directed by the 12758
Master to give us the dates. Refer to your records, Mr. Addicks, and give us the dates.

The Witness: I find I haven't the date, but I can tell approximately the date. It was some time prior to three months before the expiration of the contract.

By the Master:

Q. Before the expiration of the first six months, you mean?

A. Yes.

Q. Of the 1919 contract?

A. Yes.

Q. As I understand it, the contract was a six 12759
months' contract.

A. The contract was a twelve months' contract, with the right to cancel in six months.

Q. And you are talking about it being sometime prior to the expiration of the first three months?

A. It was three months prior to the expiration of the six months.

Q. Then you would say it was in the first three months of 1919?

A. Yes.

Q. That would be before the first of April?

A. Before the first of April.

Q. Sometime prior to that?

A. Sometime prior to that.

By Mr. O'Brien:

Q. Mr. Addicks, you were looking among your papers to find that date. Were you looking for a letter?

A. No, I was not looking for a letter. I thought I had a written memorandum of the fact amongst these papers.

Q. This change was effected by a contract?

12751 A. Yes.

Q. That contract is in court?

A. Yes.

Q. And you were trying to find from your memorandum the date that appears in the contract, were you?

A. No.

Q. Well, wouldn't the contract refresh your memory as to just about what time you got the modification?

A. No, I have other reasons to refresh my memory.

Q. What are they?

A. That the contract was made prior to the time that I was about to ask for bids from the companies,

12762 and I had to give notice two months, and I intended to send out those requests for bids at least a month prior to the time of the expiration of the contract.

Q. Then you were getting ready in February, of this year, about, to ask other companies for bids?

A. No, I was getting ready very close to the first of April to do it.

By the Master:

Q. Let me ask you, Mr. Addicks, what was the original price for 1919?

A. The original price for 1919 was 7 1/2 cents plus freight.

Q. What was the date of that contract, sometime in 1918?

A. The date of that contract was either January 1, or prior to January 1st.

Q. It was after the armistice?

A. After the armistice.

Q. At 7 1/2 cents?

A. At 7 1/2 cents.

Q. And you get it down to 6 cents?

A. As a result of providing for this cancellation, I got it down to six cents three months prior to the time that I could have gotten it down, so I got three months 12764
more oil at the lower rate than I would if I had waited until the expiration of the contract.

Q. Have you records here showing the quotations for Pennsylvania crude from 1913 to 1919?

A. Yes, sir.

Q. Will you let me have them? Give me 1913 on Pennsylvania crude, what was the range that year?

Mr. O'Brien: Is your Honor going to ask the range of prices on crude in other fields and for other companies?

The Master: You can ask that. The reason I limited my question to Pennsylvania was this: I got the impression from the witness that Stand- 12765
ard White is a different kind of article. It seems to be more like kerosene, and I got the impression that the Ohio field was somewhat different. There seemed to be a higher price in the Lima field all the time, didn't there?

The Witness: No, lower on the Lima.

Q. Give me the Pennsylvania and the Lima. I had the impression that Pennsylvania was lower.

Mr. O'Brien: There is nothing in this record to show that this company is confined in its oil to any particular field.

A. The first of January, 1913?

Q. Yes.

A. North Lima crude 3 cents.

Q. What is the difference between North Lima and Lima?

A. I think there is a difference in the quotations between them. This is the oil I am more familiar with.

Q. Well, North Lima started at 3 cents in January, and went to what?

A. And went to a maximum the first day of the following January, there is only a day between there—

12767 the maximum price during the year was in the month of December, 3 1/2 cents plus.

By Mr. O'Brien:

Q. May I ask you where did you get these prices?

A. From the Journal of Commerce.

By the Master:

Q. Now, Pennsylvania crude during that year, the range was what?

A. From 4-¾ cents at the beginning of the year, to almost six cents in December.

Q. Now, your contract for 1914 was made sometime in 1913?

A. My contract for 1914 was negotiated in 1913.

12768 Q. And at five cents, wasn't it?

A. At five cents originally.

Q. Now, give me the 1914 range.

A. In 1914 North Lima crude on the first of January was 3-½ cents plus.

Q. And its maximum during the year was what?

A. Well, it had a minimum.

Q. It went down?

A. It went down.

Q. How low?

A. To 2 4 about, in December.

Q. What did Pennsylvania crude do during that year?

A. Pennsylvania started at nearly six cents, and went as low as a little under 3-½ cents.

Q. And that was the year that you readjusted your price on the basis of 2-½ cents, by making it 3 cents on the cancellation of that five cent contract?

A. Yes, sir.

Q. So that the price for gas oil was really 2-½ cents for that year?

A. The price made to me for gas oil during that year was based on 2-½ cents for the following year.

Q. Now let me have 1915, North Lima crude and Pennsylvania crude, during which year you were paying three cents under that same contract. 12770

A. Under the 2-½ cent rate?

Q. Yes, on the 2-½ cent basis.

Mr. O'Brien: Your Honor, I am recording an objection here unless the whole crude oil market is put into the record, it having appeared that the Standard Oil Company does buy some of its oil at least, from Oklahoma or other fields.

The Master: Let us get this first, and then I will take that up.

A. Your Honor, it is understood that this indicates ½ cent, and I have to do a little estimation.

Q. That is all right. I want to get it approximately. 12771

A. 1915, North Lima Crude, 2.4 cents. It fell about the first of March to just about a shade over two cents, and then it rose to 3.3 cents by the end of December.

Pennsylvania crude on the first of January, 1915, was just under 3-½ cents. It fell about the first of July to 3 1/4 cents, and it rose to about 5.4 cents by the end of December, 1915. Now, in 1915 you made a contract for 1916, didn't you?

A. 1914, 1915 and 1916. In 1916 I made a contract for 1917.

12772 Walter R. Addicks, Cross.

Q. The 3 cent rate ran through?

A. The 3 cent rate ran through two years.

Q. Part of 1914, and went through 1915 and 1917?

A. Yes, sir.

Q. So you still were on the basis of 2-½ cents for 1916, actually paying 3 cents?

A. Yes, sir.

Q. Now give me the range for North Lima in 1916.

A. In 1916 on the first day of January, the price of crude was a little under 3-¼ cents. It rose to about 4-⅛ cents in the month of April, and continued so for
12773 three months. It then fell in the month of September to under 3-½ cents, remaining there for two months, and rising in the latter end of December to about 3-¾ cents.

Q. That is North Lima?

A. That is North Lima.

Q. Now give me Pennslyvania in 1916.

A. Pennslyvania, 1916. January 1st it was under 5½ cents. It rose in three months to 6 and under a quarter cents. It remained there for three months and commenced to drop and in two months had dropped to 5½ cents.

Q. It touched its low point at about the same time
12774 that North Lima touched its low point that year?

A. Yes, sir. It then rose in the next month to 6 and slightly under a quarter, remained there a month and ran up to 6¾.

Q. In December?

A. In December.

Q. That was the high point for North Lima that year?

A. No, not the high point for North Lima. The high point for North Lima the first six months.

Q. Around the summer?

A. Yes, the first six months.

Q. In 1916 you made a contract for 1917?

A. In 1916 we made a contract for 1917.

Q. At what price was that?

A. That price was 5 cents flat.

Q. In 1917 what was the range? Before I get to that, where is that contract made in 1916; I want to look at it. I cannot get out of my head that the price of gas oil had some relation to the price of crude. I got the impression, as I was hearing this testimony, that the price of gas oil seemed to be somewhere around the price of crude. That is what I am trying to get at. 12776

Mr. O'Brien: About the same as crude; is that your idea, sir?

The Master: My idea was it ran pretty near to what crude seemed to be.

Q. In November, 1916, Exhibit 290 would indicate that for the year 1917 you were paying 5 cents; is that right?

A. During 1917 we were paying 5 cents flat, in November.

Q. Yes, the contract was made in November?

A. Yes.

Q. Pennsylvania Crude at that time was a little over 6 cents? 12777

A. Yes.

Q. And North Lima crude at that time was something under 3½ cents?

A. Yes, in November.

Q. It touched about 3½ cents?

A. Yes.

Q. So that the 5 cent price would be somewhere in between the price of crude, taking Lima and Pennsylvania as a basis or standard, of that month?

A. Yes, sir.

Q. How did it range during 1917?

12778 Walter R. Addicks, Cross.

A. In 1917 North Lima Crude was— you will notice, your Honor, that the price is raised up and I could not continue on the same sheet, because it went off the sheet.

Q. Yes, that is all right. It was something under four cents?

A. Something over 3¾ cents.

Q. Beginning in January?

A. Beginning in January, and the next month it rose to something under 4½ cents, remained there for two months, rose to practically 4½ cents, remained
12779 there three months, rose in the next month to just under 5 cents, and remained at that price for the rest of the year.

Q. Now, as to Pennsylvania.

A. Pennsylvania began on the 1st of January at about 6¾ cents, rose about a half a cent the following month, remained there for two months, then rose about a quarter of a cent and remained there for three months, when it went the following month to 8 and something over a quarter of a cent. It remained there for three months and in the latter part of December jumped to 8¾ cents plus.

Q. Now I want to see the contract made in 1917
12780 for 1918. Have you got the 1918 contract there, Mr. Addicks?

A. Here it is (handing to the Master).

Q. That is Exhibit 294. That contract was dated the 4th of December, 1917, and called for the payment of .065515; is that right?

A. Yes, sir.

Q. In December, 1917, when this contract was made where was North Lima Crude, just under 5 cents?

A. Just under 5 cents.

Q. And Pennsylvania was just under 8½ cents?

A. Yes, it was under 8½ cents.

12781

Q. In December it touched 8½, did it not? Oh, it went to nearly 9 cents.

A. That was on the last day of December.

Q. Yes.

A. It was a rising market for crude oil at that time.

Q. There again we strike almost a middle point between North Lima and—well, less than a middle point between North Lima and Pennsylvania in December as compared with the contract price of 6½ in December?

12782

A. Yes, sir.

Q. It was less than the middle point?

A. It would be nearly 7 cents. It would be a middle at 7 cents.

Q. There again I strike almost a middle ground between those two. Where is your contract for 1919? In 1918 what was your range?

A. (Handing Master paper). In 1918 North Lima Crude—

Q. Starting in January?

A. Started in January just under 5 cents; in three months it ran up to 6 and under three-quarters, something between 6½ and ¾, and continued there during the year.

12783

Q. Now, Pennsylvania.

Mr. O'Brien: That is in 1918, Mr. Addicks?

The Master: Yes, 1918.

A. Pennsylvania started at 8 and something over three quarters; it remained there a month and during the next month it went up to strike over 9½ cents.

Q. And stayed there the balance of the year?

A. Remained there the balance of the year.

Q. This contract was made the 18th of December for 1919, and price fixed there was .0757 and a fraction?

12784 Walter R. Addicks, Cross.

A. Yes, sir.

Q. Let me get that. In December, 1918, North Lima was what, 5¾?

A. 5¾.

Q. And Pennsylvania was 9½?

A. 9½.

Q. The middle point there is what, about 7¾?

A. .0762.

The Master: There again I strike about the price between North Lima and Pennsylvania at the time you made your contract?

12785 The Witness: Yes.

Mr. O'Brien: Your Honor, you must get rid of that idea that these two things are the same, and bear in mind that gas oil if a residual, is the stuff that was thrown away for which they haven't any other use.

The Master: I have that in mind, Mr. O'Brien.

Mr. O'Brien: It is cheaper than crude oil?

The Master: I have in mind ever since Mr. Addicks started to testify that there must be some relation, I don't care where it is or how it is, there must be some relation between what the oil companies charge for this residue that is left and the original cost of the crude oil. Now, I

12786 also have in mind that they get their crude oil—

Mr. O'Brien: They have markets, the different distillates have markets that depend upon peculiar conditions.

The Master: But I am trying to answer your question. I am trying to give you the operation of my mind, as I have tried to do all through this case. I could not get out of my mind that the price of the gas oil did not have some relation to the price of crude. I had in mind that the price of crude varied at different fields, that they

might pay more in Pennsylvania or less in Lima and more in Oklahoma and less in Texas and less in Mexico, and the varying transportation things, and I finally made up my mind, as I thought about it last night, that Pennsylvania was probably a fair test for what I wanted to get at.

Mr. O'Brien: But it is not; that is where you are going to—

The Master: Mr. Addicks has pointed out what you have already said, that it is not. I saw at once that it was not, because North Lima fields were very much lower than Pennsylvania fields. 12788
Now, it may have no significance at all when this thing is ended, but I at least have this satisfaction of finding in this record that it is barely possible that when the oil companies figure on something that is residue, that you referred to, which is used for firing boilers, apparently, and steamship work and other things, where there is more or less demand, and where the price probably fluctuates up and down, that when they have got their profit out of the gasoline and other things that they take out of the oil, that they apparently are willing to sell this residue, this gas oil at about what they originally paid for the 12789
crude oil, taking their profit out of the rest of it. Now, I may be all wrong about it, but the impression I have now is that when I take the North Lima prices and the Pennsylvania prices and I strike a middle ground, I find invariably the contracts that were made with the Standard Oil Company and the prices fixed by them seem to be at about the average between North Lima crude and Pennsylvania crude prices. Now, that is the impression that it makes on my mind, and I am giving you that impression so that you may know how my mind is working.

Mr. O'Brien: Let me ask right here a few things that might perhaps turn the impression away.

The Master: Well, yes, go ahead.

By Mr. O'Brien:

Q. Mr. Addicks, who prepared that scale, that color scale from which you have been reading the prices for North Lima and Pennsylvania crude?

A. I personally for a portion of them took the quotations and personally capulated the price per gallon from the quotations by barrel.

12791 Q. How many gallons to a barrel did you assume as part of the computation?

A. As I remember it was forty-two gallons to a barrel.

Q. You used that all the way through?

A. I think it was forty-two gallons to the barrel.

Q. Well, why are you in doubt about it?

A. Because in our contracts in giving certain figures there and the amount a barge holds, it is stated as 50 gallons to a barrel.

Q. What kind of gallons did you assume, imperial gallons or regular gallons?

A. 231 cubic inches to a gallon, United States.

12792 An imperial gallon is 20 per cent larger.

Q. What part of the diagram did you get up, and where did you stop working on it?

A. I could not tell just where.

Q. Is it covered by time, or is it just a portion of the diagram?

A. I remember at a certain time I did some of this work.

Q. When was it?

A. Some years ago.

Q. How many years ago?

A. I don't remember.

Q. Approximate it if you can?

A. I cannot approximate it.

Q. Who did the rest of it?

A. I then turned it over to my secretary.

Q. Mr. Whom?

A. Mr. Snyder, who has had the drafting department carry out the work ever since.

Q. Have you brought with you the Journals of Commerce from which the computations were made?

A. No.

Q. Did Mr. Snyder make them from the Journal of Commerce, or from some other papers, if you 12794
know?

A. They were all from the Journal of Commerce.

Q. Is Mr. Snyder still with your company?

A. He is, yes.

Q. He is available, is he, as a witness?

A. He is.

By the Master:

Q. Did you see these diagrams as they were changed from time to time?

A. I referred to them, your Honor, from time to time.

Q. Were you familiar with the Journal of Commerce quotations from time to time? 12795

A. I think I was.

Q. Did you from time to time know that this diagram that was prepared in your office correctly set forth the prices with which you were familiar?

A. Yes, sir.

The Master: You won't get anywhere with that, Mr. O'Brien if Mr. Addicks is wrong about this—

Mr. O'Brien: Let me talk right to your Honor right here with one or two plain truths.

The Master: You are talking all the time.

12796 Walter R. Addicks, Cross.

Mr. O'Brien: Would not you expect the witness to come in here if he is going to be on the level and frank and fair with the Court and give you the whole market price on crude?

The Master: No.

Mr O'Brien: Why not?

The Master: Because there are about a million different fields, and he could not keep track of it.

Mr. O'Brien: Well, I won't comment on it. Let the record tell the story. That is all.

12797 The Master: Yes.

Mr. O'Brien: Why should he pick out the fields that are going to be the most favorable to his own particular contention, and testify or put in red, white and blue on that diagram—

The Master: I don't think there is one chance in the world that Mr. Addicks expected it to go in the direction it did this morning.

Mr. O'Brien: Never mind his mind. He has brought in something that gives you the Pennsylvania, and he will know when he goes into that question why he picks Pennsylvania.

12798 Mr. Ransom: I call your attention to the fact that the witness was not asked on direct by counsel for the complainant concerning any of these crude oil prices. It has been brought out entirely by Mr. O'Brien and Mr. Chambers and the Master. The witness was not brought here to testify regarding that.

The Master: I think mostly by the Master. The Master has been interested in that question right from the start.

Mr. O'Brien: I move to strike out all the questions and answers involved in the Master's catechising of the witness in reference to the

crude oil prices in Pennsylvania and North Lima fields.

The Master: Motion denied. Exception allowed.

Mr. O'Brien: Exception.

Q. Have you prepared any diagram or any data giving the crude oil prices over a long term of years in any other oil fields?

A. No.

Q. Will you state what the crude oil prices were, if you know, in any of the other oil fields?

A. I can't state them. 12800

Q. Do you know where the Standard Oil Company of New Jersey during the past ten years has purchased its crude oil?

Mr. Ransom: I object to the question. That has been covered twice at least.

The Master: I will let him state if he knows.

Mr. Ransom: Exception.

A. No.

Q. Have you ever gone into that question?

Mr. Ransom: I object to the questions already covered.

The Master: I will allow it.

Mr. Ransom: Exception. 12801

A. What is the question?

Q. Have you ever gone into that question and made a serious inquiry into that matter?

A. At one time I had a discussion with one of the vice-presidents of the Standard Oil Company of New Jersey with respects to oils, and he referred to the Mexican oils, and immediately after that suggestion I put in the qualification with respect that the results shall be equivalent or equal to those of the prior year.

The Master: I do not think you quite answered Mr. O'Brien's question.

Mr. O'Brien: Well, that is a habit he has got of answering something else.

The Master: Don't say that Mr. O'Brien. It is entirely unnecessary. I have told you several times that you ought to assume that when men like Mr. Gawtry and Mr. Addicks and other men of the Consolidated Gas Company come here, that there cannot be any notion in their mind of evading anything, because it is so easy to follow up with another question. It is perfectly silly to talk about men like them evading questions.

12803 Mr. O'Brien: In nine cases out of ten he will give me an indirect answer.

The Master: Because his mind is running in another direction, and that is chargeable, just as I told you before—witnesses will talk about impressions when they mean opinion, they will use words that are not accurate, but that does not mean they are crooked or evasive, or anything else.

Mr. Ransom: So does counsel use wrong words.

The Master: I call attention to this because I get the impression that Mr. Addicks did not get
12804 the point of your question as I did. What Mr. O'Brien asked, Mr. Addicks, was whether there was a time that you knew that the Standard Oil Company were buying their oil in Mexico. I gathered from what you said that you did get the impression from what this officer told you with reference to Mexican oil, which led you to put this clause in the contract, that they were buying Mexican oil. Isn't that so?

The Witness: Not necessarily that they were, but they would.

The Master: Either that they were or contemplated buying Mexican oil?

12805

The Witness: Yes, but, I did not know and do not know whether they are buying now, or whether they bought a gallon.

The Master: That is an answer.

Q. Have you or any of the officers of the company ever made a serious investigation into the possibilities of using crude oil for the manufacture of gas?

A. I have contemplated the using of a heavier oil where no candle power requirements existed. I have contemplated the possibility of using a different grade of oil in the hope of reducing the cost of oil, and I had intended to try that in a territory that was governed 12806 by a B. T.U. standard.

Q. What has the company done in the shape of making a serious investigation into that subject, the subject of using crude oil to make gas?

A. I asked for a barrel sample of a heavy material from Mr. Williams, having in view what I have stated, and he sent me a sample of Mexican crude oil.

The Master: Then what did you do?

The Witness: I had it analyzed by our chemist, and he advised that he did not think it was fit for manufacture of illuminating gas.

Q. Is that the chemist who died the other day?

A. Yes,sir. 12807

Q. Why did you select Mexican crude?

A. I did not ask for Mexican crude. I asked for a heavy material, heavy oil, that I could buy cheaper than our present oil.

Q. If you went into a serious investigation of that subject, why didn't you get the crude from different fields?

A. I did not ask for crude; I asked for a heavier oil that I could buy cheaper than the present oil.

Q. When did you find out that it was Mexican crude?

12808 Walter R. Addicks, Cross.

A. When it was delivered.

Q. Did your chemist suggest that you have crude from some other field?

A. No, sir.

Q. Did you suggest to the Standard Oil Company of New Jersey that they send you crude from different fields?

A. No, sir. I have not had time to pursue that matter.

Q. Well, have you made any study of it?

A. Yes, sir.

12809 The Master: When was it you did that?

The Witness: It was—this was the early part of this year, sir.

Q. Did your investigation into the subject go any further than talking it over with the Standard Oil man and asking him to send a heavy oil?

A. No, I proposed to get a cargo in and put it into the plant and try it.

The Master: Mr. Addicks have you ever heard of any gas company or gas works anywhere which is using crude oil?

The Witness: I have used crude oil myself, your Honor, in years gone by, and latterly crude

12810 oil, in later years crude oil could not be purchased from the companies because of the valuable by-products that had to be taken out first.

Q. What did you mean by saying that it could not be purchased from the companies?

A. I have heard a statement from representatives of the Standard Oil Company that they would not sell crude.

Q. Is that the extent of your knowledge that leads you to say that you understood the companies would not sell it?

A. Yes—I know there are certain companies that

are buying small guantities of crude oil, but not in the amounts we use.

The Master: This concern in Mexico, the Mexican Petroleum Company sells crude oil, doesn't it?

The Witness: Yes, sir. I have a sample of Mexican crude. I have had it here for some time. I would like to produce it.

Q. Don't get away from my trend now, don't take the bottle out. Answer my question.

The Master: Mr. O'Brien, I am not through yet. 12812

By the Master:

Q. Aren't there other oil producing companies that produce oil in large quantities, crude oil?

A. Yes, crude oil is produced in Pennsylvania, it is produced in what is known as Lima, there is Indiana oil, there is Oklahoma oil, and there is Louisiana oil, with divisions in the territory.

Q. And California oil?

A. There is the mountain oil and California oil, and a Mexican oil.

Q. And there are a lot of South American oils?

A. Some that I do not recall.

Q. Are there not some of these companies who would be very glad to sell crude oil in large quantities? 12813

A. Well, they have not come to my attention, your Honor, any crude oil that would be suitable for our purposes. The only crude oil I have thought it possible to obtain was Mexican crude, and I have been assured that the distillate from Mexican oil would be as satisfactory for gas making purposes as the distillate from other fields. I was assured of that when I made the change in the contract. Notwithstanding that I did not take a chance, but put the provision in the contract.

12814 Walter R. Addicks, Cross.

Q. If you bought crude oil would it be necessary for you to extract the gasoline and other matter from it before you used it?

A. No, sir.

Q. Could you use crude oil as it came if it were proper crude oil?

A. You can put crude oil in the generator as it comes. The result would depend upon what crude consisted of.

Q. Well, you would have the gasoline in the crude oil then, would you not?

12815 A. Yes.

Q. Would that help or hurt in gas making?

A. The question would be, there would be a residue in the oil that would stop up your machine and stop up your works possibly.

By Mr. O'Brien:

Q. To get down to the basis of these statements you have just made, Mr. Addicks, what is crude oil?

A. What is crude oil?

Q. Yes?

A. Crude oil is a material that comes from the ground in a more or less fluid state at normal temperatures, and consists of material which is inflammable, hav-
12816 in large quantities of carbon, and which by distillation will yield many many products.

The Master: In other words, crude oil is the stuff that you get out of the ground?

The Witness: It is the stuff that you get out of the ground.

Q. When you speak of the oil fields of Oklahoma, and Texas, and Kansas, and Muddy River, and Lima, and Pennsylvania, and West Virginia—

The Master: That is enough.

Q. All of the oil they get there is crude oil, isn't it?

A. All called crude oil, yes.

The Master: It is all crude oil when it comes out of the ground?

The Witness: Yes.

Q. Do you mean to intimate to the Master that the statement you made a few minutes ago that you had to go to the Standard Oil to get crude oil, that you would not be able to buy it?

A. I did not make that statement.

Q. Well, you remember the statement you made?

A. The statement I made—

Q. You were told—is this a fair repetition of your answer, of the substance of it—that you were told 12818 that you could not get crude oil from the oil companies?

A. Yes.

Q. And you want to stand on that statement, do you?

A. No, I was talking about the one we were contracting with. If you understood it the other way I would like to amend it.

The Master: I understood the witness to say the Standard Oil Company said they would not sell crude oil.

Mr. O'Brien: When I put that question to him a minute ago he said no, he never said any such thing. 12819

The Master: Am I not right about it, Mr. Addicks, that it was the Standard Oil Company said they would not sell you any crude oil?

The Witness: Yes, sir.

Q. When did they say that to you?

A. A number of years ago.

Q. Well, how far back?

A. Probably six or eight or nine years ago.

Q. Mr. Williams said that did he?

A. No.

Q. Mr. Bedford?

12820 Walter R. Addicks, Cross.

A. I think Mr. Higgins said it.

Q. Oh, you mean the New York Standard Oil Company?

A. Before dissolution.

Q. Was this in a discussion on the purchase of oil?

A. Yes, undoubtedly.

Q. And how did he put it to you?

A. Well, he said the Standard Oil Company would not sell any crude oil.

Q. Did he say why?

The Master: Let me interrupt you again, will

12821 you?

By the Master:

Q. You said before in answers to my questions, when I asked you whether other companies were using crude oil, that you used it some years ago?

A. Yes.

Q. Are there any other gas companies now operating that use crude oil that you know of?

A. I have seen that the Kings County have bought some crude oil, but whether they are operating it in their generators I don't know.

Q. Any other companies that you know of?

A. I don't know of any other companies round here.

12822 Q. Anywhere?

A. Not as a fact. I know what I would expect.

Q. I will take your information on it.

A. At this moment I have no information.

Q. Is it more economical, if you could get the proper crude oil?

A. If you could get the proper crude oil it would be a question of price. You might not be able to get the same results from crude oil on account of the expenses possibly of repairs and renewals. On the other hand you might get results that might compensate for it.

By the Master:

Q. Mr. Addicks, we have gone a little afield from the original questions I started with, and I want to go back to how far you have made a study of it. I asked you when you made a serious investigation on this subject, and you replied that you discussed it with the oil people, and they told you you could not get it. Have you not read from a diagram here a market price for crude oil, Lima and Pennsylvania oil?

The Master: Sure he has.

A. No—

The Master: Quotations you have read? 12824

The Witness: Yes, sir.

Q. Don't you know that you could buy it from the same people that the Standard Oil Company buys it from?

A. Probably, unless they have contracts that prevent. If it is an open market, I could.

Q. There are a great many oil companies at the present time, are there not?

The Master: According to the advertisements in the newspapers having oil shares for sale, I should say there are about ten million of them.

Q. Outside of what you have mentioned, was there ever a serious investigation made into the details of 12825 cost that would be entailed in using crude oil to make gas? If so, state how far you, or any of the employees of the company went in that investigation.

A. None, as far as I remember.

The Master: Other than you have testified?

The Witness: Other than I have testified.

Q. Now, in that particular case where Dr. Love, lately deceased, made his investigation, did he give you a written report?

The Master: I am going to strike out from that question "lately deceased." I don't like the way it is put into that question.

Mr. O'Brien: Why not, your Honor?

The Master: I am going to get out of this case this city court method of injecting insinuations into questions as to the bona fides or good faith of a witness.

Mr. O'Brien: Oh, you have applied your own thought to that.

The Master: Just leave out "lately deceased." I will not permit these constant insinuations, I don't care who the witness is. I want counsel to approach it as I do in the trial of the case.

12827 Unless I have reason to believe that a witness is deliberately perjuring himself, I take it that he is telling the truth. That applies to a negligence case as much as anything else. I have frequently seen where men have seen an accident, and have made statements about it that are directly opposite to each other, and yet they were both honest, and both were telling the truth. There is no use of saying that witnesses are liars.

Mr. O'Brien: In this particular question there was not any innuendo intended. I am very sorry you should take it up that way.

12828 The Master: Proceed with your questions.

Mr. O'Brien: I wanted to have the witness and the record show—

The Master: The record shows that Dr. Love died some few weeks ago.

Mr. O'Brien: I am asking now for some report extant, made by a man now dead.

The Master: All right, if you will simply ask what Dr. Love did or did not do: you need not refer to the fact that he is dead, the record so shows.

Q. Did Dr. Love make a written report as to the results of his investigation into this sample of Mex-

ican crude oil sent to you by the Standard Oil Company of New Jersey?

A. He sent me an analysis of the oil, made in his laboratory.

Q. Was Dr. Love a gas engineer, or a chemist simply?

A. Dr. Love was the chief chemist for the Company.

The Master: Was he a gas engineer in the sense that that term is used?

The Witness: Not a manufacturing engineer. I do not know what his early experience has been, but he has been in chemistry for years. 21830

Q. Prior to going with you, his work was chemical work, was it not?

A. Yes, sir.

Q. Was it simply the analysis of the oil that he sent to you?

A. No, I had an interview with him.

The Master: What he sent to you was simply an analysis, in writing?

The Witness: Oh, pardon me. Yes, an analysis and a memorandum of transmittal.

Q. Was this question submitted to any gas engineer of the Company?

A. No, I do not think it was. He may have discussed the matter with the chief engineer. 12831

Q. So far as you know, however, it was not submitted?

A. No, I was at the preliminary investigation myself.

Q. Have you got that analysis?

A. I have.

The Master: With you?

The Witness: Yes, sir, with me.

Q. I think I asked you whether you asked for any further samples from the Standard Oil, of crude oil.

Did you get any samples of crude oil from any other source?

A. No, sir.

Q. Why didn't you?

The Master: The witness has already said he did not have time. He said he only started that the early part of this year and has not had time to go ahead with it. There is no use asking that again.

Mr. O'Brien: Your Honor, here is a matter that we ought to have serious questioning upon.

12833 The Master: But you have asked him and he says, "I did not have time."

Q. I will ask you why haven't you had time for this matter? Did you assume that it was of lesser importance?

A. No, I having been turning the matter over in my mind with respect to it and matters in connection with this case have been sufficient to crowd out some other things that I would have liked to do.

Q. Have you gone in the last two or three years, Mr. Addicks, very deeply into the oil supply of this country and Mexico?

A. From time to time I have.

12834 Q. Have you gotten statistical data on that subject?

A. Yes.

Q. Would you be able to state anything about the increase in the supply of oil in this country?

A. No.

Q. In the last four or five years?

A. No.

The Master: Can you tell us about the increase in the demand for oil in this country in the last four or five years?

The Witness: No.

Q. In carrying on your negotiations with the Stand-

ard Oil Company of New Jersey with respect to a modification of the contract which you made in December of 1918, for the year 1919, did you get any of the reports of the Fuel Administration, the Federal Fuel Administration?

A. As of that time?

Q. Yes.

A. I do not remember.

Q. Have you at any time since the first of January sought information from the reports of the Fuel Administration?

A. I do not recall. 12836

Q. On the question of oil supplies, the amount of oil produced in the last three years, or two, the amount of oil exported?

A. I should think not.

The Master: What is your point, Mr. O'Brien, that the production of oil has increased very largely in the last few years?

Mr. O'Brien: The point is, your Honor, that the witness was asked at the beginning about keeping himself posted, about getting statistical data and all that.

The Master: I have got your point; that is an answer. 12837

Mr. O'Brien: Here is a report from Washington as to the uses to which oil is being put, and indications from official sources would show just about how far the oil field was being invaded for war uses; and after the armistice is signed the war over, the possibilities of a drop in the market. All those things that follow in the wake of that The conclusion, of course, you will draw yourself.

The Master: You see, the trouble with that is the price did not drop after the—

Mr. O'Brien: Oh, yes; it did, your Honor.

The Master: Not in Pennsylvania or North Lima?

Mr. O'Brien: I went down to the oil companies in April or March—

The Master: Of this year?

Mr. O'Brien: Yes, I had Mr. O'Malley, that he spoke of, on the phone, and I talked with Woodbridge, and I talked with Mr. Lyons, and you would be surprised to learn what you could get oil for.

12839 The Master: All right.

Mr. O'Brien: This report I speak of, of the Fuel Administration, that gave some idea of the great quantities of oil exported. Knowledge of those facts would cause a man in the lookout tower here to formulate plans and negotiate his plans, perhaps, a little differently.

Q. Referring to the question of the storage of oil, Mr. Addicks, have you seen the diagram showing the company's property in this case?

A. Yes.

By the Master:

Q. You know the company's properties, do you not?

12840 A. Yes.

Q. Without the diagrams?

A. Yes, sir.

By Mr. O'Brien:

Q. Does the company own any other lands anywhere in New York City or outside?

The Master: Which is not used in the gas-making business?

A. There are some properties in Manhattan that were not put in this case, applicable to the gas business. Whether the additional properties were put in or not, I do not know.

Q. Do you own properties in the west side of the city, not in the case?

A. Yes, but I do not know whether they are in this case. I do not recall what was in the case and what was not. I saw the diagrams. I will have to say yes to that. I saw the diagrams.

Q. You had some other properties?

A. We had some other properties not in this case, devoted to the gas business.

Q. Where are they?

A. If I remember correctly, Inwood was one which was not put into this case. 12842

Q. How vast an acreage have you got at Inwood?

A. It is not a matter of acreage; it is a matter of lots.

Q. How many lots?

A. It has a small gasholder on it and a number of lots around it. I don't remember the number of lots.

Q. Can't you approximate it?

A. No.

Q. Why not?

A. Because I have not got the area specifically in mind. It is a small and very old gasholder on that property. 12843

Q. I am not asking you for metes and bounds. Would you call it an acre, or five acres or 10 acres or 50 acres?

The Master: The witness has said it does not run into acreage at all. It is a few city lots.

Mr. O'Brien: Well, Joe Day turns acreage into city lots overnight, your Honor.

A. An acre is roughly about 208 by 208 feet. Without refreshing my memory and looking at the lot, I would not say it exceeded that.

12844 Walter R. Addicks, Cross.

Q. Have you any other lands in the City of New York?

A. Than were put in that—

Q. Yes, used for any purposes, gas purposes or nongas purposes?

A. Mr. O'Brien, I do not remember the specific pieces of property that were omitted from this case. I except Inwood particularly. (Witness examines diagram, Exhibit 178.)

Q. Mr. Addicks, are you able to say now what properties the complainant owns within the City of
12845 New York, other than are shown on Exhibit 178?

A. I have already mentioned the Inwood property. In the vicinity of the holder at East 65th Street I do not see a block which I think is between 61st and 62nd Streets.

Q. A whole block, whole city block?

A. No, it is about 200 feet on the Marginal Street and runs back, I should say, about 400. On West 65th Street, south of the holder property there is a plot about 75 by 100, as I recall it. At 21st Street there are certain tenements on one side of the avenue adjoining the exhauster house, 39 by 70, and on the opposite side of the street, about 70 by 92, which I
12846 think the company owns. I do not recall any other property at this time. I do not intend to say that that is complete, but that is all I recall now.

Q. How about down around the 20's?

A. I see the 14th Street plant shown there.

Q. Get away from the 14th Street plant, Mr. Addicks, and the diagram. You do not mean to infer that your memory is rather vague on the question of the lands that the complainant company owns?

A. I mentioned two tenement house properties. It is possible—in fact, there are some lots, I had forgotten, on West 18th Street or thereabouts.

Q. How big a plot?

A. I do not recall how large that is now, because we have been selling some of that property, and I do not know how it stands at this time.

Q. Is it a block or two blocks?

A. I think it is a portion of one block.

Q. Is there any other that you can think of?

A. I do not think of it at this time.

Q. What properties in the Bronx have you?

A. I do not recall any other property than what is indicated on the diagram.

Q. What land of the affiliated companies is there 12848
devoted to gas uses?

Mr. Ransom: I have not interrupted this line of inquiry, but I think I should now.

The Master: I think I will sustain the objection to it as to the affiliated companies. I should not have sustained an objection as to the Consolidated Gas Company, because it bore upon the storage of facilities.

Mr. Ransom: It may be that some of the rest of this property ought to be used for gas purposes.

Q. How large an acreage has the Astoria Com- 12849
pany?

A. Several hundred acres.

Q. Do you mean by that 300 acres?

A. Yes, I think there are 300 acres.

Q. Or more?

A. Well, I think there is a bit more than 300 acres.

Q. This property at Inwood is on the river front, isn't it?

A. No, at Broadway.

Q. Does it run to the railroad?

A. No. You go out Broadway near the end of

Riverside Drive—near where Riverside Drive turns into Broadway.

Q. What property have you got outside of the City of New York?

Mr. Ransom: You are speaking now of the Consolidated?

Mr. O'Brien: Yes.

A. None.

Q. When you gave the Inwood property and the west side properties—

12851 The Master: Mr. O'Brien, I do not think I would spend any more time on that. If they have not got any more—

Q. Was there any property in Brooklyn, Richmond or Queens that you own?

A. In Brooklyn, yes. I am wrong in saying there is no other. There is a small piece of property which is used for handling coke I think now, and which the Consolidated does own, and which I had forgotten.

Q. How big a plot?

A. Well, it has some wharfage, enough to bring up a barge and discharge coke. I should say it was not less than 75 feet long, and it may be 125.

Q. Where is it, on Gowanus Canal?

12852 A. It is on the canal north of the Navy Yard.

Q. Newtown Creek?

A. No, I think it has still another name, a little indentation in the water that goes in there, which is just north of the Navy Yard, I have forgotten the name of the street.

Q. Have you got any land anywhere else now, besides the places you have mentioned?

A. I cannot recall any other.

Q. Anywhere, in any state?

A. Either in any borough or any other state.

Q. Do you own any oil leases?

A. No, sir.

Q. Have you got any oil contracts with any other companies?

A. No, sir.

Q. Have you had at any time?

A. No, sir.

Q. Do you own any oil tanks?

The Master: Other than has been testified here.

A. I do not know what the testimony has been in regard to what oil tanks we own.

The Master: Then you do own a lot of oil tanks? 12854

The Witness: We own oil storage in the city.

Q. Any others?

A. None outside.

Q. Do you own any pipe lines?

A. No, sir.

Q. Have you any contracts for pipe lines?

A. No, sir.

The Master: Do you lease any?

The Witness: No, sir.

The Master: Do you lease any storage tanks?

The Witness: No, sir.

Q. Have you got any equitable rights in lands held 12855 in some other ownership anywhere?

The Master: Does anybody else hold any property for the Consolidated Gas Company not standing in its name?

The Witness: I do not know of any.

Q. Well, is that a matter that you would be posted on?

A. I should think I would know.

Q. Do you know of all purchases made during your time as a member of—as secretary of the executive committee?

A. Yes. There are none there, as there are none other such properties.

Q. But when you put the plant in Astoria, you contemplated for a time erecting it over in New Jersey?

Mr. Ransom: I object to it as incompetent, irrelevant and immaterial, not cross-examination.

The Master: Objection sustained.

Q. Do you own any land at Shadyside?

A. No, sir.

Q. Did you own any land at Shadyside?

12857 A. Yes, sir.

Mr. Ransom: I object to it.

Q. When did you sell it?

Mr. Ransom: I object to the question as immaterial.

A. Sold it a number of years ago.

Q. How long ago?

The Master: Objection sustained.

Mr. O'Brien: It is vital, your Honor.

The Master: No.

Q. Was it since 1906 you sold it?

Mr. Ransom: I object to it.

The Master: Not cross-examination, and the

12858 question is disallowed.

Mr. O'Brien: What?

The Master: It is not cross-examination and the question is disallowed.

Mr. O'Brien: The idea I had in mind was, it will show available land for storage purposes.

The Master: Oh, there is plenty of it. If they sold some they can buy acres and acres. I have clients in the office who would be delighted to let Mr. Addicks have a lot of it, very cheap.

Mr. Ransom: A lot of acreage?

The Master: A lot of acreage.

Mr. Ransom: This company ought to have adequate storage—

The Master: And if they sold some in 1906, they can probably buy it cheaper today.

Q. How big a plot was it in Shadyside?

Mr. Ransom: I object.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. This land in 18th Street and the other streets that you have mentioned on the West Side that is not shown on the exhibit referred to, and the land 12860
at Inwood, were they included—

The Master: Objection sustained as not cross-examination.

Mr. O'Brien: Exception.

Q. I have asked you yesterday, I do not think I got a definite answer, as to how far back you have preserved the samples of oil.

The Master: You did not get a definite answer because I would not let the witness answer. I brought out from the witness that he did not run the laboratory and did not know what happened there, and I refused to let him answer that question. 12861

Mr. O'Brien: Well, may I put it in that form now, your Honor?

Q. If you know, how far back have samples of oil purchased by the company been preserved?

The Master: Yes, I will let him answer.

A. No, I don't know.

Q. How far back did the complainant company make arrangements for this rate case?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Was the question of beginning a litigation and

12862 Walter R. Addicks, Cross.

testing this statute of 1906 prescribing an 80-cent rate discussed by the executive committee at any time?

Mr. Ransom: I object to it.

The Master: Objection sustained.

Q. When did they first take up that matter for discussion?

Mr. Ransom: Objection.

The Master: Objection sustained.

Mr. O'Brien: Exception to all your Honor's rulings.

The Master: Yes.

12863 Q. When did they finally conclude that they would institute such an action?

The Master: Objection sustained.

Q. Had the executive committee or the officers of the company determined to institute another action to test the 80-cent rate prior to 1917?

The Master: Objection sustained.

Mr. Ransom: Exception.

The Master: I want to call attention of counsel to the fact that I have permitted five questions so that he might get his exception on the record and do not expect to hear any more questions on that line.

12864 Q. When did the complainant company take over the New York & Queens Gas Company?

The Master: Objection sustained as not proper cross.

Mr. O'Brien: It is leading up to oil contracts, your Honor.

The Master: Not proper cross.

Q. What price was paid for gas oil by the New York & Queens Company immediately after it was taken over by the complainant?

A. I don't remember.

Q. Can you refresh your memory in any way?

The Master: With anything you have here?

The Witness: I do not think so.

The Master: Do you know of any document that you have here that will help you give the answer to that question?

The Witness: No, sir, I think I have nothing here that would help me.

Q. Didn't you negotiate the contract for that oil?

A. No, sir, I do not think I did.

Q. Do you know who did?

A. No.

Q. Was it Mr. Gawtry? 12866

A. I don't know.

Q. Well, are we to assume that there may have been oil contracts negotiated in behalf of affiliated companies which were not negotiated by you?

Mr. Ransom: I think that has already been covered. He stated the times at which various—

The Master: Wait a minute now. You mean during the time that Mr. Addicks has testified he bought for all the allied companies, or prior or since?

Mr. O'Brien: At any time.

The Master: Well, now, somebody must have bought for the allied companies before Mr. Addicks began. That is apparent. 12867

Mr. Ransom: Some of them have bought separately up to a certain time.

By the Master:

Q. As I understood Mr. Addicks' testimony, and if I am not right he will correct me, he began to buy the Consolidated and the allied companies about 1911 or 1912; isn't that the year?

A. I began for the Consolidated and allied companies located in Manhattan and the Bronx and Long Island City at the time of the first contract, in 1905.

Q. Oh, you started away back in 1905?

A. Yes.

Q. Did that include the New York & Queens?

A. New York & Queens we did not own at that time. We took that over at a later date.

Q. Well now, between the time that you started to buy in 1904 and 1905, and the time you took over the New York & Queens, somebody other than an officer of your company bought for the New York & Queens?

A. From the time we took over?

12869 Q. Between the time you took over and bought for the Consolidated and the time that you took it over, prior to your taking over the New York & Queens, am I to understand that nobody in the Consolidated Gas Company bought for the New York & Queens?

A. I do not know, your Honor, of any contract being made for the New York & Queens Company since we took it over. The best of my memory is at the present time that there was a great difficulty about oil in the New York & Queens; they were paying a very high price and they were not able to get oil, and I succeeded in getting oil for them from our con-

12870 tract. That is my best memory.

Q. I don't think you have answered my question. Let me direct your mind again to the time prior to your acquisition of the New York & Queens. Did you have anything to do with buying oil for them?

A. Prior to our acquisition?

Q. Yes.

A. Absolutely not.

Q. Did any other officer of the Consolidated Gas Company have anything to do with buying oil for the New York & Queens prior to your acquisition of that company?

A. I do not know of any.

Q. Now, beginning with the time of the acquisition of the New York & Queens, am I to understand that that company continued to buy the oil for a while directly?

A. I cannot accurately answer that question at this time. One contract at that time may have been made. I do not know.

Q. Beginning with the time that you started for the New York & Queens in connection with the general contract that you made, you continued to purchase for all the companies, including the New York 12872
& Queens?

A. That is right.

The Master: Now, what is your question, Mr. O'Brien?

Mr. O'Brien: Well, that is such a crazy patchwork picture as it comes to my mind, I don't know just how to put the questions.

The Master: Well, I will declare a recess for you for five minutes to go out and clear your mind up.

Mr. O'Brien: As I understand it, there was an interim concerning which the witness's memory is not quite clear, that is, prior to 1913, I 12873
think it was, you began the collective purchasing, you yourself, for the complainant and affiliated companies.

Mr. Ransom: He has not said that.

By Mr. O'Brien:

Q. Was that the date?

The Master: It is quite apparent that your brain is in a muddle. This witness has testified that beginning in 1905, he bought for all the allied companies except the New York & Queens.

The Witness: And the Westchester was not in this.

12874 Walter R. Addicks, Cross.

The Master: I said practically all.

Q. And the Mutual?

The Master: He never bought for the Mutual. Beginning in 1905 he purchased for all of the companies except the Mutual, New York & Queens, and Westchester. Later on he started buying for the Westchester, but he still did not buy for the New York & Queens, because they had not bought that company. Now, they bought that company sometime—I will take the dates in this connection. When was that?

12875 The Witness: I don't remember that date.

The Master: Then we can't talk about it. At any rate, following the acquisition of the New York & Queens he did not immediately include the New York & Queens in his general contract, and he thinks that it is possible that somebody else did buy for one or more years, before he started to include the New York & Queens. Is that right?

The Witness: One or more contracts, not for years. I think there were small contracts for a small amount of oil.

Q. You mean just after its acquisition by the com-

12876 plainant?

A. I am trying my best to search my memory for that. The situation of the New York & Queens came to my attention when they were in trouble for oil.

Q. When they were in trouble, that was sometime prior to your taking it over?

A. As I recall it, immediately before.

Q. There was a stiff price for oil?

A. Yes, not only that, but they couldn't buy any oil.

Q. They had serious difficulties?

A. Yes, and I succeeded in taking care of their

wants. They had a contract, that is my best memory.

Q. That is just after you took them over?

A. I can't remember the dates.

Q. You didn't have an interest in that company before you took it over?

A. No, but I do not know what the space of time was. I am trying to give it to you frankly. I do not know what the space of time was between the time I handled that New York & Queens situation and the date at which we bought it.

Q. But the price you were able to get for them was 12878
much lower than that they paid before you took them over?

A. Yes.

Q. Does the paper which you have before you refresh your mind on any of these things?

A. I did not think of this before. Had I thought of it I might have gone back by the contracts to see when the price for the New York & Queens was in the contract. Counsel has just handed me the contract of the 1st of July, 1913, and I find there the New York & Queens Company. That is for the contract for 1914.

Q. Can you tell us now the price that you were able 12879
to get for them just after they were taken over, Mr. Addicks?

A. I think it was based on our then existing contracts, with something allowed for extra towage down into Flushing. That is my best memory.

Q. No paper that you have brought in here would give it?

A. There may be some paper here, but I do not recall it at the moment.

Q. Well then, we didn't get in your direct-examination the whole story of the purchase of oil you made for the affiliated companies?

The Master: Objection sustained on the ground that the question is argumentative.

Mr. O'Brien: Exception.

Mr. Ransom: These contracts show the prices to each company. Now, the New York & Queens, apparently the first price for the New York & Queens is in this contract made in 1913, and 1913 was about the time the New York & Queens was taken over.

Q. Give us the date of that contract that you have now, Mr. Addicks?

12881 A. The first day of July, 1913.

Q. What was the price stipulated for New York & Queens there?

A. 5.09.

Q. Do you know what they were paying just prior to that?

A. I think they had a contract with the Sun Company at a price materially higher than this, I should think over 7 cents, possibly 8 cents, and thereafter they could not get a supply of oil.

Q. Mr. Addicks, are you sure that it was the Sun Company that sold them the oil at that time at that price?

12882 A. I am giving you my best memory.

Q. Your memory is a little hazy on it, is it?

The Master: You need not answer that. The witness has said he is giving his best recollection. He may very well be mistaken, but he is giving his best recollection.

Q. In 1913 was there a price that you secured for Queens prior to the price in that contract of July, 1913?

A. I cannot remember distinctly, but my impression was as I have stated before, that I first got Queens included in our contract at a price, and that there-

after they were included in the general contract at a specific price.

Q. They were paying about 8 or 9 cents, was it?

A. I thought it was 7 or 8 cents.

Q. That was in 1912?

The Master: The witness did not give any date, but probably in 1912 or 1913.

Q. Well, just prior to their being taken over they were paying that?

The Master: What is your understanding of the date when they were taken over? 12884

Q. 1913, wasn't it?

A. I don't remember. I am giving you my best memory. I never thought the question would arise and I did not refresh my mind on it if I could. I think I could.

Q. This price as you remember it was just prior to their being taken over, the price of 7 or 8 cents?

A. I won't say yes or no, whether that contract was made immediately after taking over or immediately before. My impression is that the contract I refer at that price was prior to the taking over. That is my best memory.

Q. What was their difficulty about the oil? 12885

A. Why, the contract ran out and they could not buy oil.

Q. Do you know why?

A. No, I do not recall why.

By Mr. Ransom:

Q. Will this contract in any way refresh your recollection (handing paper to witness). That is the 1914 contract?

A. That is after the other, isn't it?

Q. What was the price on that?

A. The price on that is 3.09 for the New York & Queens.

The Master: That was the modification of the 1913 contract?

The Witness: Yes, sir.

The Master: Oh, I think we have had enough of this.

By Mr. O'Brien:

Q. Do you know why they couldn't get it, why the companies would not sell it to them?

The Master: Objection sustained. The witness has said he didn't know.

Q. Who owned the New York & Queens, if you
12887 know, prior to its being taken over?

The Master: Objection sustained.

Q. Were any of the officers of the Consolidated Company owners of stock in the New York and Queens Company?

Mr. Ransom: That is objected to.

The Master: Objection sustained.

Q. Did you ever talk with any representative of any oil company about the New York & Queens Company prior to its being taken over?

The Master: Objection sustained.

Mr. O'Brien: Exception. Your Honor, I don't know whether you catch my point, but it seems
12888 to me proper to find out just how and why this company could not get any oil, and were paying the price that the witness said they did. If they were taken over by the—

The Master: I don't think it is important. In the first place the witness has said he doesn't know, and in the second place, I don't see that we are making any headway.

Q. Did you have anything to do with the negotiations for the taking over of the New York and Queens Company?

Mr. Ransom: Objected to as not cross-examination.

The Master: Objection sustained.

Mr. O'Brien: Exception. Your Honor, I urge its admissibility on the ground that I have a right to find out the reasons for the prices of oil to this particular company before and after it was taken over by the complainant company.

The Master: No, I won't allow it.

Mr. O'Brien: Then I understand your Honor excludes it because you hold that it is not proper cross-examination?

The Master: Yes.

Mr. O'Brien: Exception. 12890

Q. Mr. Addicks, is it a fact that Pennsylvania crude—that from the Pennsylvania crude are obtained the very fine lubricating oils?

A. I haven't got information that I can testify with regard to the products obtained from either Pennsylvania or other oils.

The Master: Your answer is you don't know?

The Witness: I don't know.

Q. Is it your understanding that fuel oil for ships or steam power can be replaced by gas oil?

The Master: In other words, your question is whether the witness understands there is a distinction between fuel oil and gas oil. 12891

Mr. O'Brien: Yes, he has not made that quite clear, and then the stenographer left out Diesel engine out of the record.

Q. What is your understanding about that?

The Master: I will allow the question.

A. Can I have that question repeated?

The Master: I think it has been fully covered, but repeat the question.

(Question read by stenographer.)

Mr. Ransom: The question is indefinite.

The Witness: It is to my mind.

The Master: See if you can reframe it, Mr. O'Brien.

Q. Is gas oil used for fuel ships and steam power?

A. I can only give an impression.

By the Master:

Q. What is your understanding?

A. My understanding is that the specifications, as I stated the other day—the British Admiralty would include gas oil.

Q. You said something about gas oil being used in Diesel engines. What was that statement?

12893 A. Gas oil would be suitable for Diesel engines.

By Mr. O'Brien:

Q. Has it been used for Diesel engines, and in Diesel engines, and if so, where?

A. I don't know where.

By the Master:

Q. Didn't I get the impression from you that Diesel engines had not been successfully operated by gas oil, that there was some imperfection in the engine, or some change in the oil?

A. No, sir, I stated that I believed gas oil could be used in Diesel engines.

Q. In other words, your understanding of it is

12894 that it is used by the British Admiralty for fuel for their vessels, and that it is likewise used in Diesel engines?

A. My idea was that the specifications of the Admiralty of England would permit the use of gas oil, but I did not intend to convey the idea that necessarily I knew it was.

Q. What is the difference between gas oil and fuel oil, so-called?

A. I should expect fuel oil to be of a heavier gravity than gas oil. That would describe it.

The Master: Anything else, Mr. O'Brien?

Mr. O'Brien: Oh, yes, your Honor.

The Master: Oh, you have just begun, have you?

By Mr. O'Brien:

Q. Are any officers or directors or members of the executive committee of the complainant company connected with the Barrett Company in any way that you know of?

A. No, sir.

Q. Can you say whether William Hamlin Childs owns any stock in the complainant company?

A. I can not. 12896

Q. Did you ever go into that matter at the time you were making a contract with the Barrett Company?

A. I did not.

Q. Did you make any inquiry as to any of the men connected with the Barrett Company of their affiliations with the complainant company?

A. I did not.

Q. Do you know Mr. William Hamlin Childs?

A. Yes, sir.

Q. Did you know him before he made this contract with the complainant company?

A. I don't think I did. 12897

Q. Who first mentioned the Barrett Company to you?

A. We had a contract at the time with the Barrett Company or their predecessor company.

The Master: When you became connected with the Consolidated Gas Company you found a contract with the Barrett Company?

The Witness: Yes, sir, or their predecessor company.

Q. What was their predecessor company?

A. I do not recall. I do not remember how long it had been the Barrett Company.

Q. Do you know how long the predecessor company was doing business with the complainant company?

A. My understanding is that company or the predecessor company has been doing business for probably forty years.

Q. When was the ten year contract made, Mr. Addicks?

The Master: 1910, and they speak for themselves.

Mr. O'Brien: Yes, I see it is on the outside of the envelope.

12899 Q. Who negotiated these contracts in 1910, you or Mr. Carter?

A. I did, and I do not recall Mr. Carter negotiating the contract. I think there were three gentlemen negotiated it, one of whom was the chief engineer.

Q. The chief engineer of your company?

A. Yes.

Q. Mr. Bradley?

A. Yes.

The Master: Who were the other two?

The Witness: I do not recall the third one. I was one of them.

Q. You had something to do with it, too?

12900 A. Oh, I had, yes.

Q. Why did you use three men on that contract?

A. I do not know why three men considered the contract. It was a very important one.

Q. Was there any discussion at that time about toluol or the production of toluol out of gas?

A. None whatever.

The Master: Was there a discussion then about the war that was going to break out in Europe?

The Witness: No, sir.

Mr. O'Brien: Toluol was used before the war, your Honor.

Q. Was there any discussion about the production of toluol out of tar?

A. No, sir.

Q. Did you not take up at that time and discuss with the chemist, or with any man in the company who had peculiar knowledge of the matter, uses to which tar and these other residuals might be put?

A. I think the chemist was involved in this particular contract—Dr. Elliott.

Q. Is he still living?

A. He is not.

Q. Do you recall whether he made any report 12902
on the advisability of making this contract?

A. He did not.

Q. Did he make any recommendation for finding some other uses?

A. I do not recall any such recommendation.

Q. Did he recommend the making of a contract of this kind and binding yourselves for ten years for the delivery of these residuals?

Mr. Ransom: Mr. O'Brien's question inaccurately and inadvertently stated the contract fixed the price. It did not.

Q. What fixed the price, Mr. Addicks?

The Master: It fixed a basis for the price. 12903
It did not fix the price.

Mr. Ransom: Yes, a basis for a readjustment in the price, according as market conditions changed.

Mr. O'Brien: It was elastic all right.

The Master: The contract speaks for itself, Mr. O'Brien.

Mr. O'Brien: If counsel wants to characterize it, we will all characterize it.

Q. Did you ever consider the other commercial uses to which this might be put?

The Master: To which what might be put? Drip oil or gas tar or water gas tar?

Mr. O'Brien: All of them, your Honor.

The Master: Or the ammoniacal liquor?

Mr. O'Brien: I am trying to abbreviate my cross-examination.

The Master: Or all of these four articles?

Mr. O'Brien: I am taking them up seriatim.

The Master: You mean all of those four articles?

Mr. O'Brien: Yes.

12905 Q. The tar, Mr. Addicks?

A. I have considered the by-products, and the distillation of coal tar, yes.

Q. It was very valuable in Europe at that time, was it not?

Mr. Ransom: At what time?

Mr. O'Brien: 1910.

A. The coal tar?

Q. Yes, sir.

A. I do not recall the value of it in Europe.

Q. Do you recall whether you made any investigation to find out what these things were worth in different parts of the world?

12906 A. No, I do not remember.

Q. Was this matter discussed at the executive meeting?

A. I think it was taken up in the executive committee and by authority of the executive committee, the committee was appointed to consider it.

Q. Who was the committee?

A. I was a member of the committee and Mr. Bradley was a member of the committee. I do not remember the third man.

Q. Mr. Carter's name appears here on the margin?

A. Yes.

Q. Does that refresh your memory, and the other initial with it (indicating)?

A. No.

Q. What is that other initial?

A. I take it to be W. H. C.

Q. You think that may be Mr. William Hamlin Childs?

A. That is my assumption. Two people signed the contract—signed or attested it.

Q. Why do you suppose they put their initials on those pages?

Mr. Ransom: I object to the question. 12908

The Master: I do not want the witness guessing at that.

Mr. Ransom: He probably followed the lawyer's advice.

Mr. O'Brien: There are no interpolations opposite those initials.

The Master: When William Hamlin Childs put his initials on it, it would indicate an approval of the form of the contract by him. That is all I care about.

Mr. O'Brien: I mean on every page, your Honor, except the last.

The Master: Then they were overcautious to 12909 initial every page, in 1910, when typewriting was commonly used, and they were afraid of typewritten pages.

Mr. O'Brien: Your Honor stated you assumed it was a very valuable contract?

The Master: What is that?

Mr. O'Brien: I thought your statement on the record was it was a very valuable contract.

The Master: No, I did not say that. I said it was a very common practice as far back as 1910, for men signing an important contract, to

initial each page when they were fearful of a substitition of pages.

Mr. Ransom: In typewriting.

The Master: On typewritten documents. I very frequently do that in the case of wills, if not usually—have the person executing the will initial each page.

Mr. Ransom: Even now.

The Master: Yes, even now.

Q. Mr. Carter would know more about this matter, Mr. Addicks?

12911 The Master: Would he?

The Witness: Well, he has not said what, what kind.

The Master: These contracts with the Barrett Company, would Mr. Carter know more about it than you?

The Witness: I do not think so.

The Master: That is an answer. Next question.

Q. You did not attest it, but he did.

A. Oh, the attesting of the contract, certainly. I did not attest it.

The Master: That attesting of a contract by

12912 a corporate secretary means nothing. It is a perfectly stupid performance in my judgment.

Mr. O'Brien: As to Mr. Carter, we are going to assume that he did more than something that was perfunctory in this contract. The trouble is he is in court and can explain it.

The Master: This witness says Mr. Carter does not know more about it than he does; let us find out what this witness knows.

Q. Did you prepare a report to the executive committee in connection with the proposal of this contract?

A. I do not know whether I prepared it, but as I recall it a recommendation was submitted to the executive committee.

Q. Is that still in existence?

A. I do not know, but the minutes of it I believe is still in existence.

Q. Do you know who was present at the committee meeting when the vote was taken to make this contract?

A. I do not.

Q. Would the minutes show?

A. Yes. 12914

Mr. Ransom: You are referring to exhibit what?

The Master: Any one of those contracts. The answers the witness gives undoubtedly apply to all four contracts. Do they not, Mr. Addicks?

The Witness: As to the names of those present?

The Master: Yes.

The Witness: Ye. sir.

Q. Is there gathered in your files any dates as to the prices that were being paid in this country or abroad for any of the elements involved in the residuals covered by these contracts? 12915

A. I do not recall any.

Q. Did you make any investigation into that matter with a view to determining the wisdom of making this ten-year contract?

A. I do not remember.

Q. Is it possible that you did not go into the matter with any serious investigation?

Mr. Ransom: Of price?

Mr. O'Brien: The price. You understand my question, Mr. Addicks?

Mr. Ransom: Then I object to the question,

if it relates to price, because the contract was not a contract fixing the price.

The Master: Oh, yes, it fixed a basis.

Mr. Ransom: It fixed a basis.

The Master: That is enough. I will allow the question.

A. I do not think I have quite grasped the question. What is it?

Q. Is it possible that you did not go into the matter with any serious consideration?

A. No.

12917 Q. How far did you go?

A. I don't remember.

Q. What did you do?

A. I don't remember.

Q. Did you have any discussions with those merchants in New York who handle dye stuffs?

A. I do not recall any. This is a matter of tar, not dye stuffs.

By the Master:

Q. Dye stuffs are made of tar, are they, coal tar?

A. It takes enormous sums of money to turn tar into the various by-products of tar.

Q. Yes, I know that, but the point I wanted to bring
12918 out in connection with Mr. O'Brien's inquiry was, do you know how extensive the dye industry was in the United States in 1910?

A. In dollars and cents we will say.

Q. In volume as compared with the use of dye stuffs in this country generally. What I am trying to bring out is whether you had any knowledge as to whether the dye stuffs used in this country, the coal tar dye stuffs in 1910, were made in this country or made abroad?

A. My best knowledge is that they were made abroad.

Mr. O'Brien: Did you make any offer or seek any bids?

The Master: You know, Mr. O'Brien, a lot of these questions are wasteful because you haven't familiarized yourself with conditions about which you direct your inquiry. Now, take this dye stuff situation. I don't know anything about them myself, except the purest kind of hearsay and a general impression, but it seems to me before you take up time with a long list of questions testing this witness's good faith in the making of this contract, you ought to familiarize yourself with the 12920
actual conditions, so that you are able to point out to the witness a statement of some kind and ask him whether he knew at the time that a certain quantity of dye stuffs were made in this country, and that coal tar was in demand for certain things, and that those things were and what the production was of dyes here as compared with dyes abroad. Now, we get nowhere with that. The witness says he does not know anything about it except he has a general impression that it was practically all made abroad. That don't get us anywhere. Now, if this is a pure fishing excursion without anything definite in 12921
mind, let us know it.

Mr. O'Brien: Your Honor, I must take exception to your view of the purposes of the record, in view of my line of questions.

The Master: There ought to be a definite purpose in a line of questions. If they are purely fishing excursions, why then the Master ought to know it. If you have a particular point in mind, and if you expect to point out by this witness that coal tar was in demand in 1910, and there was an active market for it, the questions

ought to be directed to it in some form that will bring it out.

Mr. O'Brien: The purpose of my questions is very obvious. They are perfectly natural questions. There is a burden on the plaintiff of showing in connection with these contracts their wisdom; that the best advantage was sought for the company.

The Master: Yes, and I touched on it before.

Mr. O'Brien: I have asked the simplest kind
12923 of questions, the natural, the normal questions.

The Master: No, they are not, that is the trouble with them.

Mr. O'Brien: They ask the witness as to what was done, how far he went into the matter, what and how serious an investigation was made with a view to finding out whether or not they favored this particular company, or honestly sought to get as much money as they could for these residuals.

The Master: My view about it is this—

Mr. O'Brien: I am sorry that I have not—

The Master: Continuing that line of ques-
12924 tions does not bring out the important elements involved. I am going to indicate by a very few questions what I think is important.

By the Master:

Q. Mr. Addicks, in 1910, what was drip oil generally used for?

A. Coal tar?

Q. I am going to take drip oil. What were the uses to which drip oil was put in 1910, that you knew of then?

A. Practically nothing but fuel, as I recall.

Q. Did you make any inquiries as to what uses

drip oil could be put to in 1910, before you made this contract with the Barrett Company?

A. You Honor, I do not think there was a contract in the year 1910 for drip oil.

Q. There is not?

A. I do not think so.

Q. There were two contracts in 1910. What were they for, ammoniacal liquor and coal tar, is that it?

A. Yes, those were the two.

Q. What were they, one for ammoniacal liquor and another for coal tar?

A. Yes, sir. 12926

Q. Let us take the ammoniacal liquor. What was that used for in 1910, and what inquiry did you make as to the uses?

A. It was used largely for sulphate of ammonia and aqua ammonia.

Q. I have a very distinct recollection that I followed the same line of inquiry before. Did you familiarize yourself with the various concerns that used it for those purposes?

A. I cannot recall that. I did something different, I think at that time.

Q. What did you do?

A. I had considered a by-product plant to utilize 12927 it ourselves.

By Mr. O'Brien:

Q. This is the first time you have mentioned that, isn't it?

A. I have not been asked the question.

Mr. O'Brien: Well, that is it. There you see, your Honor that nothing but questions will bring out what we ought to have.

The Master: But you see it requires the proper question to bring it out.

Mr. O'Brien: Now I am going to ask him right there—

The Master: You are not going to ask him just now. I am going to ask him some questions.

By the Master:

Q. You did know that ammoniacal liquor could be put to the purposes which you have just stated?

A. Yes.

Q. Did you familiarize yourself as to the concerns which could put it to that use?

A. I cannot recall that at this time, your Honor.

Q. Did you make any inquiry of these other con-
12929 cerns as to what they would pay for ammoniacal liquor?

A. I do not remember doing so.

Q. Have you any recollection at this time as to what you did other than what you have already said, that you contemplated a by-product plant of your own?

A. I considered the prior contract, and insisted upon an advance in price over that contract.

Q. Am I to understand that you made no effort at that time, so far as you now recall, to reach other people who might have use for it?

A. I do not recall what I did, I might have done so,
12930 and I might not. I do not recall having done so.

Q. Now, the coal tar contract—

Mr. O'Brien: Right there let me ask a question.

The Master: No, you may ask your questions when I am through.

Q. The coal tar contract, did you have any knowledge as to the uses to which that coal tar could be put in 1910?

A. I think I did.

Q. Do you recall now what efforts you made to find out what concerns could use it?

A. No, sir. They are made, I think, at the same date, and same time, and I cannot answer more definitely than I have, in the coal tar contract, than I did in the ammonia contract.

Q. What purposes do you recall that you knew at that time, that coal tar could be put to?

A. The purposes to which coal tar can be put are so numerous they are embodied in a tree, the branches of a tree.

Q. You knew that in 1910?

A. Yes.

Q. Did you know in 1910 that there were a lot of 12932
concerns that could put it to those numerous uses?

A. I think I did.

Q. Do you recall whether you made any effort to get bids from any of those other concerns for this coal tar?

A. Pardon me. I thought you meant products of coal tar when I made that answer. Not coal tar, but the products of coal tar.

Q. I mean did you inquire of the makers of the products of coal tar what they would pay for coal tar?

A. I do not remember that there were other people who handled coal tar in this vicinity at that time. I thought your question referred to this, the dye people 12933
and others who might use products of coal tars. That is what I have heretofore directed my attention to.

Q. What I meant was, you had coal tar to sell in 1910?

A. Yes.

Q. What I would like to know is what effort you made to get the best price you could for your coal tar?

A. I do not recall at this time any other purchaser of coal tar in this territory but this company.

Q. Do you recall any efforts you made to locate any?

12934 Walter R. Addicks, Cross.

A. I cannot recall that.

The Master: Now, I will let you proceed, Mr. O'Brien.

Mr. O'Brien: Well, will your Honor ask the same questions of the witness, put concisely, as to the contracts later made, that involved the drip oil?

The Master: What is that?

Mr. O'Brien: Will your Honor put the same questions to the witness as to drip oil?

The Master: Suppose you put them, now that
12935 you see what I want. What are you here for?

Mr. O'Brien: Well, they were put concisely.

The Master: I am not trying this case for the defendants. I am telling you how I think they ought to be asked, and how I would put them if I were counsel for defendants.

By Mr. O'Brien:

Q. I will ask you the same questions about the drip oil contracts for 1917, 1918 and 1915.

A. I did investigate.

The Master: You did?

The Witness: I did.

Q. Did you ever see the Koppers Company adver-
12936 tisement that sets forth that pictorial—

The Master: I would suggest that your next question be, what did you do. Tell us what you did.

Mr. O'Brien: I was adverting to that because that was something you brought out.

The Master: You have a picture in your mind of some kind.

Q. What did you do?

A. Our conditions were barge delivery for other companies outside of the Consolidated Company, I sold to others than the Barrett Company, where they had facilities that they could handle it.

Q. To whom did you sell it?

A. I do not recall the names of the concerns.

Q. You cannot recall the names of the concerns to whom you sold the residuals for other companies?

A. No, I did it through the engineer of another company.

Q. Who is he?

A. Mr. Macbeth.

Q. He is with what company?

A. The Westchester Lighting Company.

Q. What prices did they get?

A. They got higher prices than those that I could 12938
get.

Q. Much higher?

A. No, not much higher. I should say somewhere around 17 or 18 cents, and I was getting 15 or 15 and a fraction. I think in one shipment they got even more than that.

Q. How did the question of barge delivery figure?

A. How did it figure?

Q. Yes.

A. All our works are on the water front, without any railroad facilities.

The Master: And you would not undertake 12939
to make deliveries except on barge alongside of your dock?

The Witness: We could not.

The Master: I say you would not?

The Witness: No, we would not.

Q. Are we to understand that you assumed that none of the other people could take it away by barge except the Barrett Company?

A. I have made efforts to handle either this or another product, water gas tar, in that way, and have not succeeded in getting a higher price.

Q. What were the efforts?

A. Inquiries coming in for materials, and I have investigated as to whether they could handle it, but I have never gotten to the point where anyone would agree to take it.

Q. From whom were they received?

A. I do not recall the concerns. During the war, I think it was.

Q. Have you got a memorandum in your office of them?

A. I do not know whether I have or not.

12941 Q. Why did you not bring it here?

A. Why?

Q. Yes.

A. I did not see any occasion to.

Q. Did counsel tell you what papers to bring and what not to bring?

A. No, sir.

Q. Can you refresh your memory by consulting your files and tell us that tomorrow?

A. I will try.

The Master: How do you know you will be here tomorrow?

The Witness: I do not know.

12942 Q. Do you know the firm of Kidder, Page & Fletcher?

A. No.

Q. Did you ever hear of them?

A. I do not recall them.

Q. Look over your memorandum and see, Mr. Addicks, if they were not in the market?

Mr. Ransom: Well, what time?

The Master: Oh, just let it stand.

Q. Will you state further what efforts you made to find bidders in 1917, 1918 and 1919 for drip oil?

A. I do not recall at the time. 1918 I had—1919 I had a bid, the last contract.

Q. Can you state to whom Macbeth made the sale for the Westchester Company?

The Master: He said he could not.

A. No. I am inclined to think it was somebody up in Connecticut. I do not remember where it was.

Q. Have they got a refinery up there?

A. I do not recall the use of it, or who it was, or what they had at that time.

Q. Would the books of the complainant company show?

A. No.

Q. Has the Consolidated Company ever sold drip 12944
oil to any other company, or transferred it?

A. I won't be sure but what the Consolidated Company sold some to the United States government.

Q. You mean during the war?

A. Yes.

Q. Was the Consolidated Company paid for it?

A. If sold, yes. If those contracts covered the period of the war, the Consolidated Company could not have done so.

Q. What do you mean by those contracts?

A. The contracts for drip oil.

The Master: With the Barrett Company?

The Witness: With the Barrett Company. 12945
They could not have done so. But I think some drip oil was turned over to the United States government.

Q. Would not the contracts be superseded by the demands of the government during the war period?

A. If they saw fit to do so, yes.

Q. Well, is there any paper here that will refresh your memory as to whether you sold drip oil to the United States government?

A. I think the contracts would refresh my memory.

If during the period of the war that we had with Germany, I did not.

Q. I hand you the contract covering the sale of drip oil, January 1, 1918, to April 30, 1918, and ask you if that refreshes your memory as to whether you sold drip oil to the United States government?

The Master: Well, he did not during that period. Let him see the oil contracts. The war with Germany was declared on the 6th of April, 1917. Were there any contracts since then?

The Witness: Along in 1917?

12947 The Master: The 6th of April, 1917, was the date war was declared.

The Witness: The contracts with the Barrett Company for drip oil that I have here are for the year 1917, for the period of January 1st to April 30, 1918. and that is about the time the government began to extract toluol, and the contract was only during that period.

Q. Well, what are we to assume from what you just said, that you sell drip oil to the government?

A. My best memory is that at the expiration of that contract the washing of the gas affected materially the character of the drip oil, and therefore
12948 would not be the same character of drip oil that existed before the washing period. During the war we had very little drippings, constantly decreasing. At the end of the war, at the end of the last year of that contract, 1918, I think the Barrett Company took some of that which we had on hand, and it is still my impression that we turned over some of that drip oil to the government, but I won't be sure.

Q. You don't know what the company received if anything from the government?

A. If they received anything it was based upon the yield of toluol and benzol obtained by the dis-

tillation in the government plants. If it were handled it was probably based on that. My memory is there was some correspondence with the War Department. Whether that was on drip oil or water gas tar I am not clear. I know that I did make some experiments at 21st Street on water gas tar with the idea of getting some toluol for the government, but in that case the government did not proceed with the final negotiations of a contract.

Q. The benzol that you extract, that is the lighting properties of the gas, is it?

A. The benzol is what is used in the washing plant 12950
for re-enriching.

Q. I thought you said you extracted the benzol?

A. I said that we went into experiments with water gas tar with the idea of getting benzol and toluol. The negotiations were not concluded because the government did not think it was worth while for the amount they got to make a contract.

The Master: Out of water gas tar?

The Witness Out of water gas tar. As far as the drip oil is concerned, that would be handled in the government plant itself.

Q. Well, you did sell drip oil then to the govern- 12951
ment?

A. I am not sure of the Consolidated Gas Company. I feel confident that there was some drip oil sold by some of our allied companies.

Q. You know about the Astoria, don't you?

A. I know about the Astoria.

Q. You are not in doubt about the part they played in the matter?

The Master: I will sustain an objection to that. He is talking about the Consolidated Gas Company.

Mr. Ransom: Yes.

Mr. O'Brien: We are concerned here with the price the complainant company paid the Astoria company and other companies for gas. This is a very important matter.

The Master: I haven't got to that yet.

Mr. O'Brien: All of this bears on the question of what oil they ought to have bought.

The Master: I have not got to the Astoria yet.

Mr. O'Brien: All of it bears upon these contracts.

12953 The Master: I sustain the objection.

Q. Did you ever hear of the Michigan Ammoria Company?

A. No.

Q. What steps if any did you take to find a profitable market for ammoniacal liquor?

The Master: I covered that by questions that you conceded on the record were complete.

Mr. O'Brien: Your Honor referred particularly to the year 1910.

The Master: Yes, that contract is still in existence. It runs to 1920. Do you want to withdraw the concession you made before?

12954 Mr. O'Brien: I thought there was a later contract here on ammoniacal liquor.

Q. These contracts of 1917 were modifications of the original contract, were they?

The Master: No, they had nothing to do with the original contracts. They were for something else. 1917 was for drip oil and water gas tar.

Mr. O'Brien: I have before me an envelope that the witness hands to me, Barrett Company, April, 1917, for water gas tar.

The Master: The 1910 contract was coal gas tar.

Q. What steps did you take at that time to find purchasers for water gas tar, in 1917?

A. I do not recall any steps that I took.

Q. Did you feel at that time that your relations with the Barrett Company were of such advantage to the complainant that it would be just as well to go along with them and make a contract with them?

A. No.

Q. What was your mental attitude at that time if you recall? 12956

A. My mental attitude is that we can use all our water gas tar ourselves in our own plant, and that it depends upon the price of coal and the exigencies of the situation whether we sell any water gas tar. We do not sell any water gas tar except that which we ourselves determine upon. It is not a firm contract to deliver any quantity whatever. We can cut it off entirely.

Q. Did you consider it advisable on April 19, 1917, to hold on to all your water gas tar for yourselves, for your own uses?

A. During the war there was a great demand for water gas tar, so great a demand that I had numerous 12957
letters from Washington with relation to selling more water gas tar, and we had to decline to do it on account of the necessity of using it in our own plants. The matter was taken up with I think the Fuel Administration, and the concern which wanted water gas tar wrote to them, and they took it up with me, and I had quite a correspondence with them about it. I told them we could not do it.

Q. You used it extensively then in 1917 and 1918 in your own plants?

A. Yes, we did.

12958 Walter R. Addicks, Cross.

Q. You burned it up under the boilers?

A. Used it on the boilers. During the war the steam plants for running the toluol plants received all their steam from the boiler plants of our own plants and additional boiler plants erected by the United States government because our plants were not large enough to handle it.

Q. Did you ever figure out how much it was worth before you determined on the plan of burning it up under your boilers?

A. That depends entirely on this consideration: If
12959 we cannot get any coal it is worth its weight in gold.

Q. What did you do at that time to figure all that out. Did some engineer go into it?

A. I always figure on what its value is for ourselves before selling it, and if we cannot use it, and we have a surplus, why, that I would not sell necessarily upon that basis.

Q. Did you figure out, Mr. Addicks, about how much it was worth to you?

A. I figured out in 1918 that fact.

Q. Did you do it in 1917?

A. 1917, no, because I was selling at a price that I was confident was what it was worth if we had to
12960 sell it.

Q. Well, in 1918, did you make up the figures at which it is charged up on the books, operating expenses?

A. Did I make up the figures—no.

Q. Who makes those computations?

A. I presume the engineering department reports to the accounting department the use of water gas tar and how it is disposed of, and from that the books are made up.

Q. This determination that you made yourself, is

that something that has been preserved in the shape of a report?

A. Yes. I had an investigation made as to what the worth of water gas tar was to us at that time for fuel purposes.

Q. You have such a report?

A. I have.

Q. Who made that investigation, Mr. Bradley?

A. Mr. Bradley's department made it; Mr. Bradley individually did not.

Q. Was there some particular individual under him who did? 12962

A. There may have been more than one that considered it at the same time.

Q. Who would they be?

A. I think it was Mr. Morris' department, working with Mr. Woods' but I am not positive as to that.

Q. Would Mr. Wood know something about that matter?

A. I think he would.

Q. You adopted their judgment on it, did you?

A. I took that figure as the value to us of water gas tar—to us for our own use.

The Master: Did you sell at a profit over that? 12963

The Witness: I think I sold it at that price, for the portion which was used in the arts, and that proportion which we had to force the Barrett Company to take should be at a price which we later determined as not less than two and three-quarter cents, and our engineers were to inspect the Barrett plants and determine what that material for fuel was worth to the Barrett Company, having in view the cost of fuel to them at each of the individual plants. There are three

of them, I think. In the meantime we are using all the water gas tar ourselves for fuel that we have available at this time; we are using all that we can of the water gas tar that we manufacture at this time.

Q. Would you make the same answer with regard to the water gas tar of 1918, as to what your memory is of the offorts made for bids, and all that?

A. The water gas tar for 1918, I think I put the price on myself. I think I told the Barrett Company I would not sell water gas tar for less than six cents.

12965 Q. I asked you a question as to whether you transferred drip oil to the other companies, and I did not get a complete answer. You spoke about the government at that time. Could you say now, Mr. Addicks, whether your company has transferred to any of the affiliated companies, or any other company, drip oil at any time?

A. I don't recall any such incident.

Q. You do not recall whether they have loaned it or sold it or given it away to any other affiliated company?

A. If that is the inference, positively no.

Q. What did they do with it at Astoria?

12966 The Master: Objection sustained.

Q. Have you made the contracts for the affiliated companies on these residuals, too?

A. The affiliated deliver their material under this general contract.

Q. So that there has been collective bargaining on these subjects of drip oil, water gas tar, coal gas tar and ammoniacal liquor?

A. Not as to those ten year contracts. Those are contracts with the Consolidated Gas Company only. The drip oil contracts, they allow a similar price to the other companies on them.

The Master: Does the contract in terms include the allied companies?

The Witness: I do not recall the terms.

(Mr. O'Brien hands the Master contract.)

The Master: There is nothing in the contract of January 1, 1907, that includes the allied companies. There does not seem to be anything in the contract of January, 1918, which would include the other companies.

Mr. Ransom: The other companies were given the same price.

The Master: That is what I want to make 12968
clear. I gather from what the witness has said that though the contract is with the Consolidated Company the allied companies took it from the same company and paid the same price, on the same basis.

The Witness: That is right, sir.

The Master: Without any formal contract, as far as you know?

The Witness: That is right.

Q. You think that is right, Mr. Addicks?

A. Yes, that is right.

Q. This is sort of an understanding between you and the Barrett Company, that they take the residuals 12969
produced by the affiliated companies at the same price?

A. As I recall it I gave the affiliated companies that price I had, and that would govern them, that they could not sell it for less than that—they should not sell it for less than that.

Q. Do you know whether they sell it to anybody else?

A. No, I do not think they do, except in the case of the Westchester, as I have told you. I do not think the Barrett Company takes any water gas tar from the Westchester.

By The Master:

Q. Do they take drip oil from the Westchester?

A. They have taken drip oil, I think, and possibly water gas tar when they could not dispose of it otherwise.

Q. How about ammoniacal liquor?

A. They practically make none.

Q. They do not make it now?

A. Not for a great many years.

Q. Nor coal tar?

A. Nor coal tar. They did years ago.

12971 By Mr. O'Brien:

Q. These things have extensive commercial uses now, have they not, Mr. Addicks, these residuals?

A. They have not extended commercial use now as compared with years ago. This drip oil containing toluol and benzol became very valuable during the war, because there was enough toluol in them to warrant distillation, particularly when they were distilling other products.

Q. Were they not valuable from the time the European war broke out in August of 1914?

The Master: I will tell you, Mr. O'Brien, I do not care much about that. I am looking into

12972 the future very largely. These peculiar war conditions cannot in a sense make this case. Of course as hearing upon the result of operations and what they were able to do during the last two or three years, I have to have that in mind, but the important thing is just what you adverted to: that is, now that the war is over what are the commercial uses to which drip oil can be put, Mr. Addicks?

The Witness: I think that drip oil to-day, or rather drip oil eventually—I cannot say that.

I think the contract for drip oil this year fairly represents its price after the war. It will depend a great deal on whether the coke oven people continue to wash gas.

By The Master:

Q. I still have not an answer to my questions as to what uses drip oil can be put to?

A. To the best of my knowledge it is handled in the same way in which the light oil was washed, obtained by the United States government in their plants.

Q. What can you get out of drip oil now? If I had drip oil where would I go to sell it to anybody? 12974
What would they use it for?

A. I would go to the Barrett Company and the Seaboard Company, as they get out benzol and use that in combination with gasoline for motor fuel.

Q. That is the only purpose which you know of that they use it for?

A. It is used for the picric acid and benzol.

Q. I am talking about commercial uses.

A. The toluol you get—I do not know what you could do with it. It is of very little use. It will probably go to very low prices. That is the only thing I have in mind, outside of the naphtha residual, which will be good for fuel. 12975

By Mr. O'Brien:

Q. Did you see that picture of the Koppers Company up in your office—of Pittsburgh?

A. Yes, I sent for that.

Q. You see that pictorial tree, do you not?

A. Yes, I referred to it a little while ago in my testimony.

Q. Every branch and every twig denotes a use to which this might be put?

A. I think there are a number of different uses to which coal tar can be put.

12976 Walter R. Addicks, Cross.

The Master: I did not come to coal tar yet.

The Witness: I think it would be largely toluol and benzol.

The Master: How about water gas tar?

The Witness: Water gas tar is used for—I can give you not my personal knowledge, except by absorption, for road purposes in connection with pitch obtained from coal tar, and also for building pavement, but at the present time there is no building going on, and there is comparatively little road building, and that is the situa-

12977 tion that is faced today in this water gas contract, and those are the terms of it.

By the Master:

Q. How about ammoniacal liquor?

A. Ammoniacal liquor, I should say, would simply be governed by the natural war conditions, rather than supply and demand.

Q. What can it be used for; that is what I am trying to get at?

A. As I said before, sulphate of ammonia.

Q. Wouldn't there be more or less ammoniacal liquor?

A. Yes.

12978 Q. It is very largely used in this country?

A. Yes, in small quantities. It is sold all over the country quite a little bit.

Q. Probably in pint or quart bottles, are they not?

A. There is quite a business done in this direction.

Q. Isn't there quite a demand for this ammoniacal liquor?

A. I am hopeful there will be.

Q. How about the coal tar; that is used for a variety of purposes?

A. Coal tar is used, as I say, for pitch and the other products, an infinite variety of them.

Q. There are a number of concerns, other than the Barrett Company, who would be able to use coal tar now, are there not?

A. I do not know that there are a number of them use coal tar, but I think a great many of them will be able to use the products of coal tar, after the manufacture of those materials from the coal tar.

Q. I mean there are a lot of concerns who can extract products from the coal tar that they sell?

A. I do not know of any in this vicinity at this time. I am taking that matter up at this time.

Mr. O'Brien: Have you consulted Herman 12980
Metz about that?

The Witness: No, sir.

Q. But it is a fact that there are a variety of things drawn from the coal tar?

A. Yes.

Mr. Ransom: The first question is whether you can get anybody to take it, and anybody who has got the plant and the facilities. Of course, there are plenty of things that can be done with the product after it has been broken up.

By Mr. O'Brien:

Q. Have you ever consulted with the National Aniline & Chemical Company, Mr. Addicks? 12981

A. Mr. O'Brien, I have not had any occasion so far to take it up with anybody. I have taken up the question of a by-product plant for handling coal tar, and in that connection I got matter from Germany and went into quite extensively the question of how much money it would take to put up a plant to get these various by-products. That is three years ago.

Q. You went into that matter before the war?

A. Yes, that is a few years ago. In Astoria in the original proposition there was a by-product plant there under consideration, but I think that was largely sul-

phate of ammonia. I do not think it went into the tar, because it will take millions of dollars to build up an adequate tar plant, according to my investigation of the German periodicals.

Q. Is it not a fact that during the war a great many investigations were made and means determined for taking care of the dyestuffs here that were formerly brought from Germany?

A. Yes, and I am very hopeful that will make a greater demand for our tar.

Q. You have seen the prospectus of the Chemical
12983 Foundation, have you not?

A. I have seen various companies. I do not recall their names, but I have seen them from time to time, and I have followed with a great deal of interest that end of the business.

By the Master:

Q. Can I take this as a fact, Mr. Addicks, based upon your testimony, that there is a very strong likelihood of a greater value in the coal tar that you get off than you have now?

A. I think that will depend, your Honor, upon the introduction of the German dyes that we get into this country, and it may be that due to lack of protection
12984 on the part of the government our present dye industries may not survive that competition, in which case I do not see the prospect of an increase.

Q. With reference to ammoniacal liquor, is there a prospective of better price for that?

A. I do not see why we should obtain any more for the ammoniacal liquor than we were obtaining in the years just prior to the war.

Q. Is there any prospect of an increase in price of the value of the drip oil, in your judgment?

A. No.

Q. Is there any prospect of an increase in the value of water gas tar, in your judgment?

A. No.

Q. The only article that you think has possibilities of development is the coal tar?

A. Yes, and that is simply problematical.

Q. Problematical?

A. Yes, sir.

By Mr. O'Brien:

Q. Speaking of German competition, are you aware that Congress has passed an act creating a chemical board which will have power to keep out the German 12986 dyestuffs if they see fit?

Mr. Ransom: I object to the question because it assumes what I do not believe is true.

The Master: If such a law has been passed I will take judicial notice of it.

Mr. O'Brien: I am asking him whether it is true?

The Master: I think we have got more than we need on the subject, Mr. O'Brien.

Mr. O'Brien: The witness has not given any explanation of his theories as to the future, that is all.

The Master: I will tell you my view about it. 12987 In arriving at a conclusion on the cost of gas production I will have to discard largely the possibilities of the future, leaving that, as it ought to be left, to the development of the future. In my judgment this business of the legislature fixing a price for commodity which has no variation is all wrong. It ought to be with a public department which could from time to time as the situation developed increase or decrease the price of a public utility.

Mr. O'Brien: You mean gas?

The Master: I am talking of gas and nothing else. This business of a fixed rate is all wrong. There ought to be a flexible method of adjusting prices. If I reached a conclusion that the gas company is not getting an adequate return now and in a year or two, by the development of coal tar, it does get a proper return, there ought to be some power in a public functionary to adjust the price. That is all there is to it; I cannot spend any more time on this. I have long been impatient with this method of public regulation by a
12989 fixed rate, so that you have to spend five years to get a rate changed.

Mr. O'Brien: It was your party put it on the statute books, was it not?

The Master: I am not discussing politics. I am discussing the method of running our public affairs in this country, that is all. I rule we have had enough of the by-products now.

By Mr. O'Brien:

Q. You store gas oil in one of your tanks, do you not—in one of your holders?

The Master: Objection sustained. The subject has been fully covered.

12990 Mr. O'Brien: Exception.

Q. Have you ever considered using the gas holders, Mr. Addicks, for the storage of oil?

Mr. Ransom: I object. That has been covered.

The Master: Objection sustained. The subject has been fully covered.

Mr. O'Brien: Exception.

Q. Were any complaints ever made to you about the quality of the drip oil or water gas or coal gas tar?

A. Any complaints made to me as to the quality of drip oil or water gas tar?

Q. Yes, by the Barrett Company.

A. As to water gas tar no, drip oil no. It is all provided for in the contract.

Q. Coal gas tar?

A. Of the Consolidated Gas Company? No.

Q. As to any of the affiliated companies?

Mr. Ransom: I object.

The Master: Objection sustained.

Q. So that there is no instance where they based any demand for a different price or rebate on the score that it did not conform with the conditions prescribed there? 12992

Mr. Ransom: I object on the same grounds.

The Master: Objection sustained.

Mr. O'Brien: Exception. I will suspend here, your Honor.

The Master: You are through? Have you any other questions?

Mr. O'Brien: No, no other questions at this time. I would like to recall the witness—

The Master: No, I am not going to make any bargains about it. If you have any other questions ask them.

Mr. O'Brien: I suppose the same rule will obtain with regard to this witness as the others? 12993

The Master: No, I am not going to make any promise. The witness is here for cross-examination, and you must finish.

Mr. O'Brien: Well, you reiterated here today the rule that you have constantly laid down, that if at any time we want to recall the witness, we may do so, the obligation being on us to do so.

The Master: I reiterated today?

Mr. O'Brien: Yes.

The Master: No, I have not said a word about it. I am not going to make any promises about

it at all, Mr. O'Brien. I have said all I am going to say on that subject. I shall assume that you have no further cross-examination on the direct produced at this time.

Mr. O'Brien: Well, I mean if later on we conclude to recall the witness for cross-examination, have we got the same privilege that we had with regard to the other witnesses.

The Master: If you can show me what you want to cross-examine him about and I think it is at all useful in the case, I probably shall do so.

12995 Now get on your toluol, Mr. Ransom. Or Mr. Clark has some cross-examination?

Mr. Clark: I haven't any questions to ask, but I would like to note an exception on the part of the Public Service Commission to your Honor's ruling that we are not allowed to cross-examine on the question of the relative make of coal and water gas in the later years.

The Master: Yes Now go on with your toluol, Mr. Ransom.

Mr. Ransom: I think it would be a matter of some convenience if we suspend now.

The Master: How long will your toluol direct

12996 take?

Mr. Ransom: At least half an hour.

The Master: Mr. O'Brien, have you any objection to adjourning now?

Mr. O'Brien: I do not know what to say, your Honor. I will note the fact that counsel for the complainant wants to begin tomorrow instead of today with his witness on toluol.

The Master: Have you any objection?

Mr. O'Brien: I think we put in a pretty good day's work today.

The Master: What was it you wanted Mr. Addicks to look up between now and tomorrow, do you remember?

Mr. O'Brien: Well, I think he might bring in all the stuff he has there in his files in regard to these contracts, if there are any letters extant we ought to have them.

The Master: Judge Ransom, will you look up in the record just what Mr. O'Brien asked Mr. Addicks to bring down and have him bring in tomorrow morning?

Mr. Ransom: Yes. 12998

Adjourned to Friday, October 10, 1919, at 9 A. M.

Last Complainant's Exhibit-339
Last Defendants' Exhibit-LL

12999

CONSOLIDATED GAS COMPANY OF NEW YORK vs. NEWTON, ETC., *et al.* 13003

Before ABRAHAM S. GILBERT, Special Master.

NEW YORK, October 10, 1919.

Met pursuant to adjournment.

Present: MR. RANSOM, MR. VILAS and MR. GOETZ, of Counsel for Complainant.
MR. CHAMBERS, of Counsel for defendant NEWTON.
MR. HAYWARD, MR. CLARK and MR. NEUMANN, of Counsel for Public Service Commission. 13004
MR. O'BRIEN, of Counsel for defendant Swann.

Mr. Chambers: May I ask a few questions?
The Master: On cross-examination?
Mr. Chambers: Strictly on cross.
The Master: Very well.

WALTER R. ADDICKS, resumed the stand.
By Mr. Chambers:
Q. Mr. Addicks, I think you said you approved the figures on this Exhibit 283, didn't you, the highest and lowest? 13005

Mr. Ransom: I object to the question. He has never been shown it, and it has not appeared in connection with his examination.

Mr. Chambers: The other witness said he knew nothing about the oil and this is Mr. Addicks, who knows about oil.

The Master: The difficulty is with the way you framed your question.

Q. Did you have anything to do with gas oil on Exhibit 283?
A. I have never seen it, Exhibit 283.

The Master: Look at these figures and see if they conform to your understanding of the fact.

Mr. Chambers: There has not been any proof then about gas oil at all, because the other witness disclaims any knowledge about gas oil.

The Master: That is correct.

Mr. Chambers: Then there is nobody who has approved that.

The Master: On that exhibit?

Mr. Chambers: Yes. Then I cannot ask him,

13007 he says he doesn't know anything about that exhibit.

The Master: He knows these figures.

Q. You had nothing to do with that exhibit as to gas oil?

A. No, sir.

Q. You did not compute it?

A. I did not compute it and never saw it.

Q. Do you know who did it?

A. No, sir.

Q. Now, look at Exhibit 321. You see you have a figure here of .03981 for the year 1914?

A. Yes.

13008 Q. What is that .03981?

A. .03981 is the average price paid for oil during the year 1914, and at prices varying from .05035 to .03035, the average being .03981.

Q. So these two figures you just gave me before you gave the average are the highest and lowest in 1914, and then you gave me the average?

A. Then I gave you the average. Please note that during that year there were five shipments that came in originally at .05035 and then were reduced to .03035. The aggregate amount of oil in the five shipments amounted to 1,280,351 gallons.

Mr. Chambers: I move now once more to strike out Exhibit 283, and all the other exhibits relating to comparison of prices for materials paid by the Consolidated Gas Company from 1913 to 1918, upon the ground that it appears from the testimony just given by Mr. Addicks that the lowest and highest figures for gas oil for at least 1914 are not accurate.

The Master: Motion denied.

Mr. Chambers: Exception.

The Master: The Master will note that it is not accurate in that it does not give the highest 13010
for 1914, in accordance with Mr. Addicks' testimony.

Mr. Ransom: He said as to gas oil he has simply taken the contract figures, that he did not know the price actually paid.

The Master: That is not the contract figure.

Mr. Ransom: It is the contract figure.

The Master: No, it is not. The highest for 1914 was 5 cents plus. The contract was made in 1913, and was carried into the early part of 1914 at 5 cents, and then it was reduced to 3 cents. The man who tabulated that took the average .03035, and the highest. That is a perfectly ap- 13011
parent error. The man who prepared that made a mistake.

The Witness: Your Honor, I understood you to say that it was 5 cents.

The Master: No, I didn't say that.

The Witness: It was 5 cents plus freight. That brings the figure to .03035.

The Master: I knew it was under the 5 cent figure, and the person who prepared the tabulation 283 hasn't got it right. I knew it was in 1914 that that adjustment had been made on the 2 1/2 cent basis later on. Now, let us have toluol.

RE-DIRECT EXAMINATION RESUMED BY MR. RANSOM:

Q. Mr. Addicks, what is toluol?

A. Toluol is a hydrocarbon liquid of the benzol series, and in appearance resembles strongly gasolene.

Q. Did the complainant sell any toluol to the United States government in 1918?

A. No.

Q. Did the complainant company extract any toluol from its gas in 1918?

A. No.

13013 Q. Was toluol extracted from gas made by the complainant?

Mr. O'Brien: Why don't you ask him if they tried to?

Q. Was toluol extracted from gas made by the complainant in 1918?

A. Yes.

Q. At the 21st Street plant?

A. At the plant of the toluol plant of the United States government at 21st Street.

Q. And from gas manufactured by the complainant at 99th Street?

A. After manufacture at 99th Street, at a plant
13014 of the United States located some distance away.

Q. In the fall of 1917 did the United States government erect plants for the extraction of toluol by it at various of the complainant's plants?

Mr. O'Brien: I object to that as incompetent, irrelevant and immaterial, and as calling for a conclusion.

The Master: I am just going to waste a minute and a half asking what possible use that objection is. Now, show me.

Mr. O'Brien: I won't argue it, your Honor.

The Master: You can't. Objection overruled.

A. They erected it through the Ordnance Department of the United States, with government contractors.

Q. A government toluol plant?

A. Yes, sir.

Q. When was the work of erecting toluol plants on any of the complainant's properties begun by the government?

A. December 2, 1917.

Q. Where?

A. At 21st Street.

Q. Describe the manner in which toluol was ex- 13016
tracted from gas manufactured by the complainant?

A. After manufacture the gas was diverted to the toluol plant of the United States government. The gas goes into towers, steel towers, filled with wooden grids.

By the Master:

Q. What are grids?

A. You take the proper crossbeams and build up a lot of wooden strips, forming openings between.

Q. I see.

A. So that the wash oil in percolating down through the grids gets in intimate and thorough contact with the gas and absorbs a considerable part of the 13017
hydrocarbons.

By Mr. Ransom:

Q. What is wash oil?

A. Wash oil is a petroleum product which the United States government shipped to its toluol plant.

Q. So that first the gas goes into these large steel towers, in which there are these wooden grids with the wash oil running on them and percolating through?

A. Yes, the wash oil runs down and the gas runs up.

Q. Through the little openings in the grids?

A. In the grids. Getting that into contact, it absorbs the hydrocarbons from the gas.

The Master: The oil does?

The Witness: The oil does. Not all of the hydrocarbons, but some of it.

Q. What are these towers known as; what is the common term in the government toluol plant?

A. Scrubbers.

Q. After the wash oil has absorbed these hydrocarbons, what happens next?

A. It runs to a tank adjoining the scrubbers and
13019 then is pumped to the main portion of the toluol plant. It is then heated up by auxiliary apparatus, absorbing heat which would otherwise be wasted in the process, and goes into a still.

By the Master:

Q. What is it that we are talking about, the gas or the oil?

A. We are talking now about the wash oil which is saturated with the hydrocarbons and the gas. It is sometimes called benzoloid oil.

Q. What becomes of the gas when it is washed by this oil in the towers?

A. The gas returns to the gas company and passes
13020 on to the consumer through the meter, to the consumer from the holder in some cases, and in some cases directly to the consumer.

Q. Am I perfectly clear, then, that the gas having been pumped into the scrubbers and having been washed by this wash oil, we are through with the gas? It goes back into the Consolidated's mains somewhere?

A. Not quite. There is one step that I will come to later.

Q. In other words, we meet the gas again, do we?

A. In this way: As the gas goes back to its normal course, from which it was diverted, only a few feet

away, there is injected into it that fraction of the material which has been removed, which is benzol. That benzol is returned and is put back into the gas after it has been vaporized with the ether, and mingles with the gas and goes out again.

By Mr. Ransom:

Q. Is this vaporizing and returning of benzol done by the government or by the complainant?

A. Done by the United States government altogether on its own plant.

Q. Still in its own plant?

A. Still on its own plant. 13022

The Master: I do not get that quite clearly in my mind.

Mr. Ransom: Suppose we follow it through and see what the process is.

By the Master:

Q. Perhaps I can get it better in my own way. I am not so familiar with chemistry that I can catch it quickly. I get the general picture of the gas going into the scrubbers and the air mixing with the gas. The oil absorbs this benzol from the gas?

A. It absorbs all the hydrocarbon. There are four products in those hydrocarbons.

Q. Including benzol? 13023

A. Yes, four and some other small ones.

Q. So that this washing process in the scrubber steals the benzol from the gas?

A. It steals hydrocarbons from the gas, one compotent of which is benzol.

Q. And that benzol has got to get back to the gas, has it?

A. Not necessarily. That benzol when taken out, belongs to the government of the United States. All the products belonged to the government of the United States when they took it out. It remained with them what they did with it.

13024 Walter R. Addicks, Re-direct.

Q. Was it essential for your gas to have the benzol in it again?

Mr. O'Brien: May I suggest right here that they offer the contract?

The Master: No, that will come in time.

Mr. Ransom: This was long before the contract.

Mr. O'Brien: Then I move to strike out the answer that belongs to the United States government. That is a vital question in this case.

The Master: Objection overruled. I want to
13027 get this perfectly clear in my mind, and then we will talk about that.

Mr. O'Brien: The record is being made, and that is a matter that is going to be gravely contended.

The Master: The record is being made, and it is being made slowly, and we will come to it.

Mr. O'Brien: Exception.

Mr. Ransom: What is done in the still you will see the four things into which it is broken up.

The Master: I am going to get it my own
13026 way.

Q. What I am trying to get clear in my mind, Mr. Addicks, is whether the gas furnished to the consumers must or should contain this benzol that is taken from it when the hydrocarbons are extracted by the washing process.

A. Your Honor, it was returned in large quantity. The question of must or should would depend upon the quality standing.

Q. Can you make that a little more definite? What do you mean by a quality standing?

A. Why, if there had been no benzol put back at all, it would be a commercial gas.

Q. It would still be twenty-two candle power gas?

A. No.

Q. What would it be?

A. It would be ordinarily in the vicinity of half the candle power of the gas before it was washed.

Q. So if it was twenty-four when it was washed, it would be down to twelve?

A. I think so. I give that in round figures.

Q. Yes, roughly speaking. I want to get the effect of the extraction of the benzol; that is what I want.

A. The extraction of the light oil. It is the only 13028
benzol.

Q. But the benzol is included in what is extracted?

A. Yes, but the extraction I refer to is not the extraction of the benzol, but the benzol plus these other elements.

Q. Well, the greater includes the lesser elements, doesn't it?

Mr. O'Brien: They call it stripping the gas.

Q. When I say they took four things out, I do not have to say they took four other elements out, including benzol, do I?

A. Yes, because you cannot take benzol out without taking the other. 13029

Q I concede that, but the result is I have taken benzol out? The benzol has gone?

A. Yes.

Q. So I am perfectly accurate when I say the benzol is out after the washing process?

A. Yes.

Q. Now, we have to get some benzol back to bring it up to twenty-two, do we not?

A. The benzol that is taken out—if you will allow me to describe the process, I will tell you how it gets back again?

13030 Walter R. Addicks, Re-direct.

Q. I am not concerned in that. I am concerned in whether I have to get some benzol back to get my candle power.

A. You have got to put something back to get it back to twenty-two.

Q. Not necessarily benzol?

A. Benzol is the only available thing to put back in order to get it, but you have got to get your benzol.

Q. The trouble with you, Mr. Addicks, just now, is that you have in mind some other things that may
13031 be raised here, some other question, and I have in mind one very simple question.

A. No.

Q. I have in mind just one very simple proposition.

Mr. O'Brien: May I say something to you right here?

The Master: No.

Mr. O'Brien: It has to do with just this situation.

The Master: No.

Mr. O'Brien: You have got to begin with the fact, your Honor—

13032 The Master: No, I am going to get this proposition clear in my mind if it takes me all morning.

Mr. O'Brien: I want to explain now—

The Master: I do not want your explanations.

Mr. O'Brien: You have your eye on the target and you saw through it.

The Master: Then let me keep looking at it if I see through it.

The Witness: Let me finish that answer? I think I can clear it up.

Q. Yes, go ahead.

A. If you take the gas after it leaves these scrubbers and restore benzol to it, without absolute personal knowledge that you can get that to twenty-two candle power, but it will not be the same twenty-two candle power it was before, and I do not believe it will have the stability in carrying that it did before.

Q. That is going to be another phase of it?

Mr. O'Brien: Did the witness say stability in carrying that it did before?

The Master: I will let you ask him that later.

Mr. O'Brien: I move to strike out the answer as not responsive and as giving an expert opinion that the witness has not qualified himself to give. 13034

The Master: Motion denied.

Mr. O'Brien: I say right here, your Honor, that the witness was not qualified as an expert.

The Master: Motion denied.

Mr. O'Brien: Either on oils or on chemistry, and he is now evolving a lot of doctrines or theories or opinions in chemistry that he has not shown himself qualified to give.

The Master: I am going to say this right now, Mr. O'Brien, so we need not waste very much time on it and so you will know how my mind runs. If it should develop in this case during the time the government was extracting this hydrocarbon through this washing process we have been discussing that the quality of gas was affected below the twenty-two candle power, I will rule it was a war measure for which the consumers have no relief and does not bear on the ultimate outcome. 13035

Mr. O'Brien: When you give that view this

thing is costing the consumers a whole lot of money.

The Master: But the big question in this case, Mr. O'Brien, is—

Mr. O'Brien: There are four or five propositions in connection with the dictum your Honor just now emitted that I am going to differ with.

The Master: I know you will.

Mr. O'Brien: And I am going to say to you now, so you will know it, that there is a large sum of money involved in the making of gas,
13037 that was used by the consumers of the complainant company, that is involved in all these questions. Secondly, that even the United States government could not throw upon the shoulders of the consumers a burden which they will be compelled to carry, and therefore you cannot say because the United States government has stripped this gas of its qualities, illuminating qualities or any other valuable qualities, that the consumers rather than the company should bear it.

The Master: I will say this, and I will repeat so there will be no mistake about it—

13038 Mr. O'Brien: I wanted your Honor to understand my position so you would not—you understand we are making the record as we go along.

The Master: I want you to understand my position so you will see why I rule without further discussion.

Mr. O'Brien: Am I to assume your statement just now as to the position you may take if it appears that the government did this would offset the claim that they came into equity with unclean hands?

The Master: Yes.

Mr. O'Brien: And only that?

The Master: Yes.

Mr. O'Brien: Then I will take an objection and exception to an anticipated decision of your Honor on that point, and I will note my objections as we go along.

The Master: Yes.

Mr. O'Brien: Because this matter involves not only the quality of the gas and the *quid pro quo* handed to the consumers, but it involves in concrete terms a large amount of money.

The Master: Yes, but for a temporary pe- 13040
riod.

Mr. Ransom: And a very small amount of money.

The Master: When I come to fixing what I think is the average usual proper cost of producing and delivering gas, I shall not be affected very much by this temporary condition that existed during the war. I will not be affected very much with the temporary, if it were temporary, increase in price of material either. I am going to try to get a broad picture of the situation, having in mind the development of the gas industry, the cost of the material, the history 13041
of gas from time to time running back a number of years, and the probabilities of the future, using all of these things to arrive at what I think is a fair finding as to what it costs ordinarily properly to make gas.

Mr. O'Brien: I see what your Honor's decision means, but I must frankly say to your Honor that you will be compelled by the development of the testimony to change your views.

The Master: That may be.

Mr. O'Brien: I think you are assuming a state

of facts that is not going to be shown to exist in this case.

The Master: I will change my view quick enough if the record requires it.

Mr. Chambers: I would like to join in the motion to strike Mr. Addicks' answer out, wherein he said in substance that the gas if it is stripped thereby lost some of its stability or carrying power on the ground he has not shown himself qualified.

The Master: Motion denied.

13043 Mr. Chambers: On the further ground that it is an opinion anyway.

The Master: Let me see if I cannot come to a point where you and I—

Mr. O'Brien (interrupting): I would like to say right here, your Honor, that I must protest against their wrapping the Star Spangled Banner around this corporation to protect themselves in an assault on the people, the consumers.

The Master: We will discuss the Star Spangled Banner when we come to it.

Mr. O'Brien: All right.

By the Master:

13044 Q. Let me see if we meet on common ground, Mr. Addicks, when I say that the hydrocarbons having been extracted in the manner described as the scrubbing process, something must be done with the gas to bring it up to the twenty-two candle power average?

A. Yes.

Q. Now, you said that after the gas went through the scrubbers the light oil went into another plant, another building?

A. Another portion of the government plant.

Q. Now, proceed from that point and tell us the processes in your own way?

A. I am going to leave out many of the technical details in order to make it simple, but the essential facts I will now give you. The light oil passes through certain apparatus, picking up heat which would otherwise be wasted in the process, and gets finally to a still where it is heated to the maximum temperature that steam will give. That temperature drives off from the gas oil the—

Q. (Interrupting.) The light oil?

A. The wash oil, in other words what they call benzolized oil, because benzol and the other fractions are in it. It drives off those fractions and leaves the 13046
wash oil in substantially its original condition.

Q. Yes.

A. The wash oil is cooled and goes to a tank, while the—I mean the light oil is cooled and goes to a tank and the wash oil passes back through certain apparatus giving up heat put in the wash oil, and goes back again to these scrubbers to take up more hydrocarbon.

Q. I haven't got clear in my mind where we meet the distinction between the wash oil and the light oil again?

A. The light oil is absorbed in the wash oil when it reaches the scrubbers; the heat of the steam drives 13047
off the light oil and does not vaporize the wash oil.

Q. Well, now, what is it that is mixed with the gas in the scrubbers, light oil or wash oil?

A. Wash oil.

Q. When do we first leave the light oil?

A. When the wash oil leaves the scrubbers.

Q. It is light oil?

A. No, it has absorbed in it light oil.

Q. From the gas?

A. From the gas.

Q. I see. Then the next process is to separate the light oil from the wash oil again?

A. Yes, sir.

Q. What is the purpose of that?

A. So you can return the wash oil to the scrubbers to pick up more light oil; otherwise you would have a process that would become impossible.

Q. In other words the washing of the gas by the wash oil is the method of getting the light oil out of the gas?

A. Yes.

Q. And then you have to take the light oil out of the combination of wash oil and light oil?

13049 A. Yes, and you simply put in fresh wash oil from time to time to make up such wastage as the process involves.

Q. And this light oil goes into tanks and is cooled?

A. The light oil goes into the tank and is cooled.

Q. Then what happens?

A. Then it is again put into stills and is heated and then it is separated according to various temperatures.

Q. Yes.

A. So that you have benzol, toluol, solvent naphtha and a residue in the still which is called crude still residue. There are other compounds which can be

13050 obtained, like zylol.

Q. From the crude still?

A. From the light oil itself. The toluol was shipped by the government from the plant for its own uses; the benzol was returned back to where the scrubbers were except that part of it which the government took for its own uses.

Q. They did take some of it?

A. They did take some of it for their own uses.

Mr. Ransom: They took some and sent it away?

The Witness: They took some and sent it away from the plant.

Mr. Ransom: What they did not send away they vaporized and put back in the gas?

The Witness: What they did not take away they vaporized again at the original point where the scubbers were and put back into the gas.

Q. The solvent naphtha they took away?

A. The solvent naphtha they took away.

Q. The residue they took away?

A. The residue they sold as long as they had a market for it and a portion of it that they could not market they asked me to take and use as fuel, and demanded payment for it, and we did pay them. 13052

By Mr. Ransom:

Q. To whom, if you know, was this marketable part of the solvent naphtha sold by the government?

A. Of the residue?

Q. Of the residue, I mean of the crude still residue?

A. To the Barrett Manufacturing Company, with the exception of two small amounts of twenty-five gallons and two hundred gallons or some small quantity of that kind.

Q. So the unmarketable part of the crude still residue, the government demanded you should use as fuel? 13053

A. Yes.

Q. And pay for?

A. And pay for.

Q. How was the price determined?

A. The price was determined on its estimated fuel value of ninety per cent of water gas tar.

Q. That was agreed upon by whom?

A. That was agreed upon between the ordnance officer in charge and myself.

Q. This government toluol plant was in charge of officers of the United States War Department?

A. Yes, sir.

Q. Returning just for a moment to the process of the breaking up of the light oil in the still, from what source, or in what way was heat applied under the stills? Was it steam or what?

A. From steam from government boilers.

Q. When did the extraction of toluol begin at the 21st Street plant of the complainant?

A. At ten A. M. on April 14, 1918, Sunday.

By Mr. O'Brien:

Q. When you state, Mr. Addicks, that they began, this matter was taken up in September, 1917?

13055 Mr. Ransom: He said the erection of the plant began.

The Master: December.

By Mr. Ransom:

Q. Your gas which had been manufactured for consumers was ordered to be turned on—

The Master: At ten o'clock on the morning of April 14, 1918.

Q. That is so far as 21st Street is concerned?

A. Yes, sir.

Q. At what time did the extraction of toluol begin as to the 99th Street gas?

A. On the 30th of July, 1918.

13056 By Mr. Chambers:

Q. At ten A. M.?

A. I don't know the hour in that case.

The Master: What is toluol used for?

The Witness: Toluol is used for making what is known as trinitrotoluol or TNT.

Q. On or shortly after December 21st, 1917, did you receive from the War Department of the United States an order under the National Defense Act?

A. I did.

Q. Is this the order which you received?

A. It is.

Q. Signed by Col. Hoffer of the Ordnance Department of the United States government?

A. Yes, sir.

Mr. Ransom: I offer that in evidence.

The Master: Show it to the other side.

Mr. O'Brien: I object to this as incompetent, irrelevant and immaterial. I call your Honor's attention to the fact that the witness has just been asked about the work that the United States government itself did in extracting toluol. This purports to be a direction, not a direction, it really is not an order or direction, it is a pro- 13058
posal in form it purports to be a proposal—

Mr. Chambers: A friendly proposal.

Mr. O'Brien: For the complainant to go ahead and make crude toluol at the actual cost as defined in a certain pamphlet therein described. The testimony so far relates to work done by the government itself, and not to the extracting of toluol, the stripping of the gas done by the complainant company. Furthermore it appears from the paper that it is not a peremptory direction from the War Department, a war measure. It is no more in its terms, as far as I can see, than a proposal by the government to 13059
pay so much for the crude toluol furnished by the complainant to the government.

The Master: Objection overruled.

Mr. O'Brien: Furthermore I object to it on the ground that it has not been shown that the complainant did furnish any toluol. In fact the statement of the witness is that they never did furnish any toluol to the government, so this proposal would not be admissible.

The Master: Objection overruled. Exception.

13060 Walter R. Addicks, Re-direct.

Paper received in evidence and marked Complainant's Exhibit 340.

Q. Mr. Addicks, subsequently was there a contract entered into between the Consolidated Gas Company and the United States government relative to the extraction of toluol from gas manufactured at 21st Street?

A. Yes, sir.

Q. Have you the original or duplicate original of that contract?

A. Yes, sir.

13061 Q. At the time this contract was entered into the extraction of toluol at 21st Street had been in progress for some time?

A. Yes, sir.

Q. At the time of this letter of December 21st, 1917, the erection of the government plant at 21st Street was under way?

A. Yes, sir.

Mr. O'Brien: Judge, won't you give us the connecting link between the proposal for the complainant company to furnish toluol and the government going ahead and doing it itself?

Mr. Ransom: There never was any proposal either in the contract or the letter that the company should furnish or sell toluol.

13062

Mr. O'Brien: Then I don't know how to read.

Mr. Ransom: I grant you that. I offer in evidence the contract between the United States of America and the Consolidated Gas Company entitled, "Net Cost Contract for the Operation of Toluol and Light Oil Recovery Plant," dated May 21, 1918, printed at the Washington Government Printing Office, 1918.

Mr. O'Brien: I object to it as incompetent, immaterial and irrelevant, that the contract with

the government made here to furnish the government with any materials is not a matter that ought to be borne by the consumers, and it is independent of and extraneous to the gas making business.

On the further ground that there are recitals in this contract that ought not to be allowed in evidence here, which are self-serving declarations of the Consolidated Gas Company that they used certain quantities of oil from 1912 to 1917 inclusive. It does not appear as yet that the consumers have received any benefit from this. 13064
It is not even like the appliance business, which was an extraneous business, but claimed to have given a profit. I think that even giving the whole thing the aspect of a patriotic move on the part of the company, it can hardly be made an issue in this case.

The Master: I thought you were making it an issue all the time, you made a great many statements about it.

Mr. O'Brien: It would come in the category of the superannuated employees, and the Mutual Aid Association and Liberty Bonds, and the restaurant, and eating establishment, and all these 13065
other things that should not be included here as part of this case.

The Master: I do not get your attitude at all on that. From the beginning of this case, you and other counsel for the defendant have been intimating that there was something about this toluol situation that had to come out. In the course of your cross-examination, when you wanted to touch on toluol in the worst way, wanted to cross-examine this witness, and insisted so long and so vehemently, that I promised

you that I would require Judge Ransom to put in this direct proof, and now that he is putting it in, I don't quite understand your attitude.

Mr. O'Brien: I am talking about a contract now.

The Master: Any objection on your part, Mr. Chambers?

Mr. Chambers: Is he putting in the minutes there?

The Master: No. There is an extract from the minutes of the executive committee there.

13067 That is not part of it. Objection overruled.

Mr. O'Brien: I would add to the objection the fact that it has not appeared from the testimony of the witness that the loss to the consumers by the carrying out of the terms of this alleged contract has been made good in quality and quantity of gas or in terms of money.

The Master: That is another matter for discussion.

Mr. O'Brien: Exception.

Paper received in evidence and marked Complainant's Exhibit 341.

Q. Mr. Addicks, on April 13, 1918, did you receive

13068 an order in writing from Major Myron S. Falk, of the United States War Department as to the turning on of gas at 21st Street?

A. Yes, sir.

Mr. Ransom: I offer in evidence the War Department order of April 13, 1918.

Mr. O'Brien: Did you include the extract of the minutes covering the O K'ing or approving of the contract, and the electing of Mr. Gawtry, Mr. Carter and Mr. Addicks as vice presidents of the company?

Mr. Ransom: I did not.

By Mr. O'Brien:

Q. Was Major Falk the gentleman who carried on the negotiations with you, Mr. Addicks, in regard to these contracts?

A. No, sir.

Q. Was he the representative of the government through this whole transaction?

A. No, sir.

Q. Colonel what? Who was the gentleman?

A. Colonel Watson and Colonel McRoberts were the commanding officers, and Mr. Maltbie and Major Harkness and Mr. P. Tenney and Mr. Hunter. 13070

Q. Major McBride?

A. No.

Q. Did Major McBride come in contact with you?

A. I do not know of any Major McBride. There was a Mr. McBride who was an assistant to Mr. Maltbie.

The Master: The Mr. Maltbie to whom you refer is the former Public Service Commissioner, who is associated with the defense in this case?

The Witness: Yes, the same Maltbie.

By Mr. Ransom:

Q. Major Falk was the officer in charge of the plant at 21st Street? 13071

A. Major Falk was in charge of the operating division—I cannot recall just exactly the proper term. He had charge of the practical operation of all the toluol plants.

By Mr. O'Brien:

Q. This Koppers Company, H. Koppers Company, is of Pittsburgh, is it?

A. The H. Koppers Company is a Pittsburgh concern.

Q. That is the concern whose pictorial advertisement, showing the variety of residuals and by-products coming from gas you and I referred to yesterday?

13072 Walter R. Addicks, Re-direct.

Mr. Ransom: I object to it as not proper cross-examination.

The Master: I will allow it.

A. Yes.

The Master: They apparently put up this toluol plant for the government?

The Witness: They were contractors for it with the government and erected it.

Q. Have you read the investigation into this proposition, made by the Senate Committee?

The Master: You need not answer that ques-
13073 tion, I will not allow it. Any objection to that paper?

Mr. O'Brien: Will your Honor permit the proceedings of that investigation to be offered in evidence?

The Master: I do not know. Any objection to that paper?

Mr. O'Brien: Being part of the transaction which involves papers to which I have already objected, I record my objection to this.

The Master: Objection overruled.

Mr. O'Brien: Exception.

Marked Complainant's Exhibit No. 342.

13074 By Mr. Ransom:

Q. Subsequently, and on or about the 10th day of July, 1918, was a contract entered into between the United States of America and the Consolidated Gas Company of New York, relative to the extraction of toluol from the complainant's gas manufactured at 99th Street, the works of the complainant?

A. Yes, sir.

The Master: And that is the paper?

Q. And this is the paper (handing to witness)?

A. That is the paper.

Mr. Ransom: I offer it in evidence.

The Master: I take it that as this is part of the same series, your same objection runs to it, Mr. O'Brien, to save time?

Mr O'Brien: Yes, your Honor.

The Master: The objection is overruled and exception noted. It is received as Exhibit 343.

Marked Complainant's Exhibit 343.

Mr. O'Brien: I might say there is a great deal to the contract that I have not been able to digest, the printed portion there.

The Master: Mr. Maltbie has digested it pretty well; he will help you on it. 13076

Mr. O'Brien: I am not bound by anything that Mr. Maltbie may have done—with all respect to Mr. Maltbie, and everybody else in the case. I am *sui juris* and *sui generis* as to everybody. I represent District Attorney Swann.

Q. Mr. Addjcks, when did the government extraction of toluol from the complainant's gas end, first as to 21st Street?

Mr. O'Brien: Give me the same objection to this contract as before?

The Master: Yes, I placed your objections on the record; same as those to the other contracts

Mr. O'Brien: There are facts included here 13077 that are the basis of agreement.

The Master: They are not assumptions of fact. The reason I disregarded your suggestion that it might bear upon the exhibit is that it is simply a contract or representation between the Consolidated Gas Company and the government It is not any proof that that representation was correctly made.

Mr. O'Brien: The only damaging part of it and misleading part of it is that it might be argued by a partisan afterwards that if Uncle Sam's

representatives stated that these were facts on which to base a contract presumptively --

The Master: They cannot argue it with me.

Mr. Ransom: Of course the complainant thinks it is entitled to the benefit of the government's action in that respect.

The Master: In what respect?

Mr. Ransom: With respect to the matters covered by the contract.

The Master: Do you or does Mr. Goetz want me to rule that a clause in the contract between you
13079 and the government you represent, to use a certain quantity of oil for a thousand cubic feet of gas, must be taken by me as proof of the fact that you do?

Mr. Ransom: I think it is some proof.

The Master: No proof at all. It is not any proof.

Mr. O'Brien: When you say "some proof" with an emphasis, it means a whole lot of proof.

Mr. Ransom: I attach importance to the action of public authorities, whether it is municipal, state or national.

The Master: Yes, when the action is proper;
13080 but the representation in a contract between your company and the government, that you do use a certain amount of oil in making your gas, is not proof of that fact at all.

Mr. O'Brien: It is a self-serving declaration.

The Master: No, it is not even that. It is a claim, that is all. Was there an unfinished question, Mr. Addicks?

The Witness: Yes, sir.

Q. What was the date at 99th Street?

A. November 8, 1918.

Q. What was the date at 21st Street?

A. November 21, 1918. The scrubbing was stopped and the government toluol plant still continued to operate on material that was still on hand.

Q. The dates that you have given are the dates when the government permitted you to stop sending your gas through their plant?

A. Yes, sir.

Q. And no gas was sent after those dates?

A. None. No gas.

Mr. Chambers: When did you begin on 99th Street?

The Witness: July 30th. 13082

The Master: In other words, between July 30th and November 8, 1918, they ran gas through the scrubbers at 99th Street. Between the 8th and the 10th, I think it was—

The Witness: The 14th.

The Master: The 14th, and November 23rd, 1918, they ran gas through the scrubber at 21st Street.

Q. Mr. Addicks, were the charges to the government in connection with these light oil recovery plants made under the control of the Consolidated Gas Company, and under your direction?

A. Yes, sir. 13083

Q. And you were familiar with them from time to time?

A. Yes, sir.

Q. Did the Consolidated Gas Company buy certain materials for the account of the government?

A. Under orders, yes.

Q. And furnished to the government for use in its plants?

A. Yes, sir.

Q. And furnished certain men who worked in the government plant?

13084 Walter R. Addicks, Re-direct.

A. Yes, sir.

Q. These plants were in charge of army officers under the Ordnance Department?

A. They were.

Q. And in what manner were the charges made by the complainant for materials and labor certified to the government and passed on by the government?

A. A voucher was made by the company and that voucher was scrutinized by the auditors of the United States government, of which there were three on duty continuously, and after they had approved those vouch-
13085 ers, a bill to the government for that—whatever item involved.

Q. That is, an account was opened with the government covering these disbursements outside of the operating expenses of the company?

A. Yes, sir, under the term of "light oil recovery plant, 21st Street Station," and "99th Street Station."

Q. And all payments made by the government were credited to that account?

A. Yes, sir.

Q. And all charges made by the complainant to the government for reimbursement under these contracts were charged to that account?

13086 A. Yes, sir.

Q. Under your direction?

A. Yes, sir.

Q. Have you prepared a summary statement which shows the payments and charges?

A. Yes.

The Master: How was that prepared?

Q. Was it made up by Mr. Armstrong under your direction?

A. It was made up by Mr. Armstrong, the Comptroller, under my direction.

Q. And represented matters that you were familiar with at the time these entries were made?

A. Yes, sir.

Q. And then did you take the bills rendered to the government and paid, and check to this statement?

A. I took—

Q. The copies of the bills?

A. I took the bills that—the vouchers, and checked some of the vouchers direct to the books, and I checked from the books the items appearing here, with the exception of some items which had a great multiplicity of items, and that Mr. Armstrong checked for me. 13088

Q. On the matter of payments, you took the sundry debtors' ledger and checked the items?

A. The payments I checked personally.

Q. So that you know these represent all the payments?

A. Yes, sir.

Q. And you checked various of the vouchers at random?

A. Yes, sir.

Q. You had all the vouchers before you?

A. All the vouchers were on the table before me.

Q. And you checked to the portions of the operating ledger which are described as 1918 Operating 13089 Ledger A, folios 489 to 496 and 365 to 379?

A. Yes, sir.

Q. 1919, Operating Ledger A, folios 345 to 436, 325 to 986, and the 1919 Sundry Debtors' Ledger, folios 433, 434?

A. Yes, sir.

Q. And you found this statement which has been prepared under your direction to be correct?

A. Yes, sir.

Q. And to your knowledge it does represent all of the payments and all of the charges appearing on the books?

A. Yes, sir.

The Master: You have been reading now all the 21st Street station, is it?

Mr. Ransom: Yes, sir, the 21st Street station.

Q. Now, as to the 99th Street station, 1918, Operating Ledger, folio 511; 1919, Operating Ledger A, folios 353 and 986; 1918-1919, Sundry Debtors' Ledger, folio 435. And having refreshed your recollection as to these matters in the way which you have indicated, would you now be able to testify to each of these matters herein set forth?

13091 A. Yes, sir.

The Master: And as to each item?

The Witness: Yes, sir.

Q. And this summary is a summary of what would be and what is your testimony covering these matters?

A. Yes, sir.

Mr. Ransom: Upon that basis I offer the summary statement in evidence.

Q. This account on the books, Mr. Addicks, is known as "Operating Light Oil Recovery Plant, 21st Street Station"; "Operating Light Oil Recovery Plant, 99th Street Station"?

A. Yes, sir.

13092 The Master: The tabulation offered by Judge Ransom, consisting of two sheets, the first one being marked 21st Street station, and the second one 99th Street station.

Mr. O'Brien: I will ask a couple of questions, your Honor, before making my objection.

By Mr. O'Brien:

Q. Mr. Addicks, was there any plant or any work done involving toluol in any one of the other stations of the company?

A. No.

Q. These figures on the tabulations just offered do

not purport to include in any way the expenses involved in toluol work at Astoria?

A. No, sir. Yes, sir, in one particular.

Q. What item?

A. General expense. No, I withdraw that statement. They do not.

Q. Then there isn't one dollar involved in these tabulations that represents in any way directly or indirectly an expense incurred in any of the affiliated companies of the complainant?

A. It does not.

Q. In connection with the toluol or light oil recovery? 13094

A. There is not.

Q. Who purchased the—

Mr. Ransom (interrupting): I object to that.

The Master: Now, you are getting into general cross-examination.

Mr. O'Brien: Just to show that the witness hadn't any direct connection with it, your Honor—the underlying data.

The Master: No.

Mr. O'Brien: Let me finish the sentence before your Honor rules.

The Master: Yes. 13095

Q. Who purchased the materials that were furnished by the complainant to the United States government in the project of extracting toluol?

Mr. Ransom: Objected to at this time.

The Master: Objection sustained. I will probably allow it under a general cross-examination, but not at this time.

Mr. O'Brien: I desire to bring out the fact that the witness is not acquainted with the details of the purchasing, and hence—

The Master: He is familiar with the details

of the charges, and that is all I am interested in just now.

Q. Did you see the reports of the deliveries of supplies and materials that are included in this expense?

The Master: Same objection and same ruling.

Mr. O'Brien: Exception. Well, then I make the objections which I made to the receipt of the books in evidence, the books of account.

The Master: Yes.

Mr. O'Brien: All of the objections that were
13097 made at that time I include now.

The Master: They will be noted as if repeated here. Objection overruled and exception allowed.

Mr. O'Brien: I also include in my objection, your Honor, the objection I made this morning to the alleged toluol contracts with the United States Government.

The Master: It will be so noted.

Mr. Clark: I object to this on the ground that it does not appear that the witness has taken these from the original underlying data; on the further ground that there has been no offer to allow the defendants in this case to call up persons who are
13098 familiar with the original documents, original books of entry, to be cross-examined in regard to the various accounts appearing on these tabulations.

The Master: Your objection, I think comprehends the same ground as stated by Mr. O'Brien?

Mr. Clark: Yes.

The Master: They will be overruled and an exception allowed and the paper is marked Complainant's Exhibit No. 344.

Mr. Ransom: I am through with the direct on this subject.

The Master: Mr. Chambers, you may cross-examine on toluol.

CROSS-EXAMINATION BY MR. CHAMBERS:

Q. Mr. Addicks, take this Exhibit 344, in which you have an item here for administrative expenses. Take the administrative expense, what is that made up of, whose services?

A. It is made up—the item is made up of the services of the employees, general officers of the company—

Q. Like yourself?

A. Like myself. 13100

Q. And Mr. Cortelyou?

The Master: Let the witness answer.

Q. Well, what officers, what high-priced officers contributed to that sum?

A. Who had to do with the work in connection with the toluol, in whatever department, that might have been employed.

Q. Now, I want to know first the high-priced officers that contributed to that sum of $36,728.50.

Mr. Ransom: The company has no high-priced officers.

The Master: Well, the higher salaried officers.

Q. Higher salaried officers? 13101

A. This item was based on an amount—an aggregate amount per day.

Q. Well, what officers?

The Master: How did you fix that aggregate amount?

The Witness: The aggregate amount per day was fixed at approximately $150 a day, and a statement was made to the government justifying at least that $150, and upon that basis they passed payment.

Q. Now, you contributed some of the time to that?

A. I did.

Q. Did Mr. Woods?

A. Yes.

Q. Did Mr.—

The Master (interrupting): Bradley?

Q. Gawtry?

A. Yes.

The Master: Mr. Bradley?

The Witness: Yes.

Q. Mr. Aldrich?

A. I am not positive as to Mr. Aldrich.

The Master: Mr. William Cullen Morris?

13103 The Witness: Yes.

Q. Mr. Brundage?

A. Yes.

Q. All the people in Mr. Brundage's department?

A. A great many of them.

Q. All of them in the engineering department, Mr. Bradley's department?

A. A great many of them.

The Master: There was no precise way of fixing this charge, I imagine?

The Witness: It was fixed on the basis of $150 a day, approximately.

Q. For how long?

13104 A. For each day that the toluol plant was actually running.

Q. At 21st Street?

A. At 21st Street and 99th Street.

The Master: Between April 14th and November 23rd on 21st Street, and between July and November on 99th Street?

The Witness: I will have to qualify that to a degree. There was a part of the time where the plant was straightening itself out. Then I think, from memory, I would say that there was another short period where that $150 a day was divided in half, and then dropped entirely.

Q. In other words, the United States government paid the share of the time that these various people of the company devoted to this toluol plant in this amount here?

A. Yes, sir.

Q. And saved the Consolidated Gas Company paying that time, is that right?

A. They paid this amount in lieu of a provision in the contract which provided that a special organization should be organized for this particular work of the United States Government, and that payment resulted in the payment of some of the time of the officers and 13106
employees of the Consolidated Gas Company.

Q. You didn't any of you charge any more, you didn't charge the Consolidated Gas Company any additional salary, did you, because of this?

A. No, sir.

Q. In other words, each of you used some of your time for which you were getting the regular compensation, and devoted it to this, and made a charge to the government?

A. Yes, it would virtually amount to that.

Q. You cannot say how much of your own time was devoted to that?

A. No. 13107

Q. But you lumped the whole thing at $150 a day during the time that the government stripped the gas at these two plants?

Mr. Ransom: I object to the question.

The Master: Well, during the time the charge was made.

Q. During the time the charge was made?

A. Lumped that?

The Master: Made one approximate charge?

The Witness: We made this approximate charge of $150 a day.

13108 Walter R. Addicks, Cross.

Q. And every person employed by the Consolidated Gas Company who contributed to that $150 a day sum was in the regular employ of the Consolidated Company, and no raise of salary was allowed by the company. Isn't that so?

The Master: What is the point about all this, Mr. Chambers?

Mr. Chambers: We are entitled to credit in operating expenses for those. You are not going to charge the gas consumers, surely, with that portion of Mr. Addicks' time that was devoted to the

13109 toluol, because the government paid for his time.

The Master: But you get credit on the books, it is included in the revenues.

Mr. Chambers: But is it?

The Master: Certainly. It is included in the result that Mr. Teele has testified to.

Mr. Chambers: I will tell you what you find on the books—

Mr. Ransom: The $36,000 at the time Teele's statement was made up had not been paid. It now has been passed by the government on public vouchers for payment and will undoubtedly be paid, so that a credit will be given, because it

13110 has been passed for payment by the government. At the time the Teele statements were made up and furnished to the defendant it had not been paid, so that that item does not appear on the Teele statement, although the items which had been at that time paid are shown on Schedule 9-A of Exhibit 205.

Mr. O'Brien: That will reduce the deficit?

Mr. Ransom: By $36,000.

Mr. Chambers: You will find Mr. Addicks' salary included in operating expenses for 1918, at $22,500.

Mr. Ransom: As it should be. That is part of the ordinary operating expense.

Mr. Chambers: Against that $22,500 for his salary we are entitled to a credit of the proportion of the time that he has spent on this.

The Master: All right, you have made your point.

The Witness: There is an unanswered question that I think I ought to reply to.

(Question read by stenographer as follows):

"Q. And every person employed by the Consolidated Gas Company who contributed to the $150 a day 13112
sum was in the regular employ of the Consolidated Company, and no raise of salary was allowed by the company. Isn't that so?"

A. I think that is true in general, with the exception of the chemical department, where certain amounts were allowed for overtime and still not directly charged. Further, there were additional employees paid by the company that were not used in ordinary work, and which were also included in that sum.

Q. Do these items "charges" appear in the operating expenses of the Consolidated Gas Company?

The Master: Which charges?

Q. Speaking of the ones here on Complainant's 13113
Exhibit 344, marked "charges"—all of them?

A. They all appear as indicated on the statement.

Q. Appear as part of the Consolidated Gas Company's operating expenses?

A. They appear under "Operating light oil recovery plant."

Q. But you don't answer me. Did the Consolidated Gas Company treat these items which you have marked "charges" as a part of its operating expense?

A. This item of administrative and general expense?

Q. All of these marked "charges." There are seven,

13114 Walter R. Addicks, Cross.

and the total amounts to $221,828.09, all in 1918. Now, did you treat those and set them up as operating expenses for that year?

Mr. Ransom: I object to the question. The books speak for themselves, and Mr. Teele's statement speaks for itself.

The Master: I will allow the witness to state it.

Mr. Ransom: I don't know that he knows.

The Master. Well, if he doesn't know he will say so.

13115 A. I cannot make a specific statement as to each one of these items. As for instance, to administrative and general expenses, I do not recall at that time just what account that was charged to.

Q. It is not a question of what account.

A. Or, rather credited to.

Q. The question is, did the company treat that as operating expense?

Mr. Ransom: I object to the question. That involves the question of whether they are made up into what we claim as our operating expense in this case. If they were in the Teele statement they would be. The question whether or not you mean operating expenses of the entire company, or operating expenses of the gas business, is not indicated in the question, and I object to the question unless it is limited, or else left in its present broad form. If you mean operating expenses of the gas business, say so.

13116

The Master: I will allow the question. Are these charges included in your operating expenses, do you know, Mr. Addicks?

The Witness: I cannot testify to that at this time.

Q. You don't know as to any of the items?

A. I cannot tell in just what account every item is.

Q. Are they operating expenses as classified by the Public Service Commission?

Mr. Ransom: I object to the question.

The Master: I will allow the witness to state if he knows.

Mr. Ransom: This witness has not testified to anything regarding the uniform system of accounts.

A. I am not sufficiently familiar with that system of accounts to testify.

The Master: That is why I allowed the question; I didn't think he would know. 13118

Q. You looked at the operating ledger?

A. Yes, sir, I looked at the operating ledger and tested every one of these figures.

By the Master:

Q. The thing about it is that on the books of the company there are two accounts, Light Oil Recovery 21st Street, and Light Oil Recovery 99th Street?

A. Yes, sir.

Q. And these figures appear there?

A. Yes, sir.

Q. Just how they are otherwise handled as an accounting proposition, you do not know? 13119

A. Yes, sir. Both of these accounts are closed.

The Master: I do not think we need to spend any more time with that. As I said before, I do not think this particular phase of the situation is going to bear very heavily in the general result from any point of view.

Mr. Chambers: $221,000 in 1918, when they say they are losing money?

The Master: No, not from the angle that I am looking at this case. If you only have in mind that all of these books and records and data are

going to be used by me in confirmation or disaffirmance of other proof tending to show what it costs to make and distribute gas, you will get my point of view, that a lot of these things are not important.

Mr. O'Brien: Where is the meat, where is the milk?

The Master: I am looking for it; I am waiting to see it.

Mr. Ransom: There are only three obstacles in the way, and one of them is Mr. O'Brien.

13121 Mr. O'Brien: What I have in mind is the one thing that your Honor is going to put your feet on.

The Master: I am waiting to get figures from which I can form a judgment as to how much it costs this company to make and distribute a thousand feet of gas.

Mr. Ransom: You are going to get that very speedily.

The Master: All these books and records will bear out other testimony, or show that the other testimony is unreliable.

Mr. O'Brien: That might do in some other

13122 case, but not in a rate case.

The Master: It is going to do in a rate case.

Mr. O'Brien: You can build a house on presumptions in a rate case.

The Master: I am not going to build a house on presumptions, but on actualities. I am going to make a record in this case that will be precise and clear and intelligent and that will stand when I reach a conclusion.

By Mr. Chambers:

Q. You don't know whether credit is given in operating expenses for these different sums of charges or not, do you, for 1918?

A. Not sufficiently to testify with accuracy.

Q. What knowledge have you on the subject.

A. I have knowledge that these items that appear here are charged or credited in connection with the light oil recovery plant.

Q. The labor charge—was the labor performed by the Consolidated Gas Company's employees, that you charge $48,929.25 for?

A. No.

Q. Those were not your regular employees?

A. No.

The Master: Well, they may be men who 13124
worked regularly for the company, but they are day laborers.

The Witness: Those men may have been employed by the company prior to that, but they left that employ and went into the government plant and were paid by the government, and other additional men were hired under the direction and the orders of the ordnance officer in every case.

Q. And those men who performed labor to the extent of $48,929.25, had nothing whatsoever to do with the operating expenses of the Consolidated Gas Company for 1918?

A. No, sir.

13125

Q. Now, steam—what do you mean by steam, for which you have the sum of $42,491.80?

A. The steam at 21st Street was generated by boilers of the plant pending the completion of the steam boiler of the government plant.

Q. That is, your regular boilers developed this steam?

A. Our regular boilers. We were paid a certain amount as stated in the contract, to be measured through a meter, steam meter. Eventually that steam would have come from the government boiler, we not

guaranteeing to carry through the following winter with our own boilers, because of the necessity for use in our own plant.

By the Master:

Q. But you did not reach the following winter?

A. We did not reach the following winter, and I am not clear as to whether that boiler was started at all—the government boiler was started at all. The meters were found to be unreliable and not registering correctly.

Q. Too much or too little?

13127 A. Erratic and irregular.

Mr. Chambers: He is away beyond my question now.

The Master: Well, I am going to take it.

The Witness: I did not intend to do that. The government officers agreed to a specific charge for steam.

Q. Per day?

A. I think per gallon of light oil recovered. At a later period a committee was appointed by me of employees of our company and allied companies, and the ordnance officers constituted themselves a committee, the steam matter was considered by both parties, and

13128 then they made and agreed on a sum. That sum proved to be less than had been allowed originally by the government and resulted in a credit to the government.

Q. The plant which generated this steam was part of the regular plant of the Consolidated?

A. Yes, sir.

Q. And the operating expense of that plant went into your regular books—if you know?

A. Yes, sir, and against that was a payment by the government for the steam.

Mr. Ransom: That is what is shown in Sched-

ule 9A of the Teele statement. There is shown credited to operating expenses the uncorrected amount of the government allowance for this steam temporarily supplied.

By Mr. Chambers:

Q. Whatever the cost of operating the boilers at the 21st Street station for 1918, was, this item for steam of $42,491.80 should be credited, should it not?

Mr. Ransom: I do not know any reason why the witness should pass on that, because it has been credited. Schedule 9A of Exhibit 205 not only credits the $42,491.80, which was the 13130
amount finally passed by the government, but even credits the 21st Street plant with $56,375.31, which was the amount originally estimated by the government as the cost of steam supply. There is no reason for having this witness pass on that, because the companies have credited it, and it has been credited long, long ago.

Mr. Chambers: Then you say it is in that item of $56,375.31?

Mr. Ransom: The item of $58,375.31 was the estimated cost of steam supply as it had at that time been passed upon or estimated by the gov- 13131
ernment.

The Master: I would rather have Mr. Addicks make that statement so we will have it in some form. I see Mr. Chambers felt he could not find that $42,491.80 item, and you say it is included in the $56,375.31 item.

Mr. Chambers: It is not there at all, set off like that.

The Master: I would like to have Mr. Addicks tell us, if he will, whether he can recognize the item of $56,375.31, being the item at ledger folio

595, Estimated Cost of Steam Supply 21st Street Station, as the amount originally charged against the government, which has now been reduced to this $42,491.80 item on this statement.

The Witness: I cannot, because I cannot recall the credit item. If I could remember the credit item, by which I could add it to this figure and bring that, I would be able to, but I cannot remember that figure.

The Master: There were not two items, one of $56,000 and one of forty odd thousand for steam

13133 supply?

The Witness: There was one at 21st Street and one at 99th Street.

The Master: Talking about 21st Street, this schedule 9A has the cost of the steam supply as $56,000?

Mr. Ransom: A credit.

The Master: A charge against the government and in favor of these accounts.

Mr. Ransom: Yes.

The Master: It is not likely that there are two, one of fifty-six and one of forty odd, for that same thing, is it?

13134 The Witness: No, sir.

The Master: Would you say in all probability this fifty-six was the original item which has been reduced to the forty-two?

The Witness: Yes, sir.

The Master: That is your best judgment. Reduced to the forty-two, isn't it?

The Witness: Yes, $42,491.80.

The Master: As to 99th Street, I see the item in Schedule 9A of $711.43. What have you got?

The Witness: That $711.43 exactly agrees with that statement.

13135

Mr. Ransom: Did you take the Operating Journal of 1918 as to this last item?

Mr. Chambers: I protest against counsel breaking up my cross-examination.

The Master: The protest is sustained. Further remarks are unnecessary.

Mr. Chambers: I cannot ask three questions, but what Judge Ransom breaks in. Go ahead and finish your direct; then I will cross-examine.

The Master: I will tell Judge Ransom to take his seat. Proceed.

By Mr. Chambers: 13136

Q. Loss in Gas Volume: Will you just take Judge Ransom's same little exhibit there, Schedule 9A, and see if your loss in gas volume agrees with the credit there. He says he has credited so carefully these various items; now, does it agree?

A. (Examining paper.) It does not.

Q. The credit on Schedule 9A is—

The Master: Wait a minute, Mr. Chambers. I want to help you straighten out any of these things as far as I can, but we do not want to waste a lot of time. You see this runs into 1919. I had in mind that—

Mr. Chambers: No, I beg your pardon. 13137

The Master: Yes.

Mr. Chambers: It runs into 1918, the Schedule 9A.

The Master: The schedule of Mr. Addicks is taken from 1918-1919.

Mr. Chambers: No, I beg your pardon, the plant did not operate in 1919.

The Master: No, I was going to say I have in mind that plant was shut down the 23rd of November; yet it is quite possible some of those items did not come into the books until 1919. I

think it would be very much better for your purpose if you had these two schedules analyzed, and if you think later on that you want to recall Mr. Addicks to cross-examine because of any variances that you have not been able to adjust yourself, or your engineers or experts have not, I will let you recall him, but I do not think you are going to get any results this way. You have some accountants working there, and if you will say to them, "Take this schedule that Mr. Addicks now gives us, and see if you can find an explanation
13139 for it"—

Mr. Ransom: There were 1919 readjusting items.

The Master: But Mr. Teele has not been cross-examined, and I think he is the man to say how it is he carries one figure, when another witness has testified to another.

Mr. Chambers: Let me proceed.

Q. Anyway, Loss in Gas Volume should be credited in 1918 operation so far as the 21st Street plant is concerned, should it not, Mr. Addicks, because you obtained that sum from the government? Isn't that so?

A. Yes.

13140 Q. And the loss in drip oil recovery at that plant should be credited to 1918 operations, should it not?

A. Yes.

Q. And both loss in gas volume and loss in drip oil should be credited at the amounts you set forth in your exhibit here, Exhibit 344?

A. As I view it.

Q. How about miscellaneous charges, including rent of chemical apparatus; did that chemical apparatus belong to the Consolidated Gas Company?

A. I cannot identify all parts of that chemical apparatus. I think it was purchased for the govern-

ment, and that was the amount that that chemical apparatus cost, and was charged against the government. The chemical apparatus belongs to the government.

Q. How about the motor trucks; did those belong to the Consolidated Gas Company?

A. That was undoubtedly rental for motors.

Q. For the trucks?

A. Or else trucks that might have been hired under order of the government and the charges made.

Q. Do you know what proportion of the $40,221.85 relates to motor trucks? 13142

A. I cannot tell you at this time.

Q. You could not separate it?

A. No, sir.

Q. But whatever part of the $40,221.85 relates to motor trucks should be credited to operations as to that plant for that year?

Mr. Ransom: I object to the question. That is not what he said; he has not said anything of the sort. He said there were trucks rented for the government account.

The Master: No, he did not say that either. I will allow the question. As to their own trucks the question is applicable. 13143

Q. Well they were all your own trucks, were they not, Mr. Addicks?

The Master: No, he said some of them may have been hired trucks.

Q. What do you say as to that?

A. Why, some of them may be specially hired trucks.

Q. You are not sure about that?

A. No, I am not sure about that.

Q. But your own trucks, whatever trucks of your own were used and included in that amount, should

13144 Walter R. Addicks, Cross.

be credited to operations at that plant for 1918, isn't that so?

A. Without being an auditor in charge of the accounts of the company, that would be my view.

Q. Now, the storage tanks. What were those, the regular storage tanks of the Consolidated Gas Company?

A. That charge probably—

The Master: No, you are not answering the question. Were those regular storage tanks of the company?

13145 The Witness: Yes.

Q. Do you know what proportion of the charge of $40,221.85 is attributable to storage tanks?

A. A very small item, and I do not at this time know, but there are countercharges for rental of government tanks for the benefit of the gas company.

By the Master:

Q. Well, Mr. Addicks, didn't the vouchers presented to the government show these things in detail?

A. Yes, sir.

Q. Haven't you got copies of those vouchers?

A. We have. They were all before me yesterday, or last night on the table, but I could not go through

13146 all. I picked some out and followed them through.

Q. Those vouchers when analyzed by the defendants' representatives will show all of these details, will they not?

A. Absolutely.

The Master: My only point, Mr. Chambers is not to permit cross-examinations that do not get us anywhere.

Mr. Chambers: If the Master please, you have more faith in our being able to dig these things out than we have ourselves.

The Master: The case is not finished. If you

do not dig any of these things out satisfactorily, you can call it to my attention.

By Mr. Chambers:

Q. Now, sundry materials, materials purchased and taken from stock. Do you know what proportion of the $40,221.85 is made up of that item?

A. No, I cannot give you that for this reason: Orders were given to purchase certain materials by army officers, and there were times when some of that material was on hand in stock and taken from the stock of the company, and to that amount should be credited the material in stock. 13148

Q. Well, then, material so taken from stock—

A. Should be credited, in my judgment.

Q. (Continuing.) Should be credited in the operations of that plant for that year?

A. In my judgment.

The Master: Operations of the company anyhow, if not for that plant: to the company's operations anyway.

Mr. Chambers: Yes.

Mr. Ransom: If taken from stock they are not charged to operations?

The Master: What?

Mr. Chambers: There he goes again. 13149

Mr. Ransom: If taken from stock they are not charged to operation necessarily, because that is the way the company runs its stock account.

The Master: It is chargeable somewhere. It is reflected in operation. It reduced the stock account. Mr. Goetz called my attention to the fact, and I think he is right, that their accounting method does not bring into the cost of operation any of their stock account until it is taken into—in other words they keep a separate stock account, and that stock account shows the amount on hand from time to time and the amount added and

taken away, and this would reflect in the stock account but would not reflect in the operating account.

Mr. Chambers: I am sure I don't know anything about it except what information we can obtain from the witnesses.

The Master: I can see that from the papers in evidence.

Q. Insurance?

The Master: I have sufficient familiarity with bookkeeping to know that. I can see that.

13151 Q. What do you include with the item of insurance, Mr. Addicks?

A. There was a war risk insurance put upon the plant because of the operation—location of a government toluol plant, and this represents that insurance or any other insurance that may be included in the terms of the contract.

By the Master:

Q. I take it, Mr. Addicks, you were keen to collect from the government all that you felt was a proper charge for the work that was being done?

A. And nothing more.

A. And to collect that was due you?

13152 A. Yes, sir, under the terms of the contract, at the net cost.

Q. And that you did?

A. Yes, sir.

Q. You don't know whether it is included in the general item of insurance in Mr. Teele's schedule here of $89,322.23, do you?

A. No.

Q. Well, if it is, it should be credited?

The Master: I think that is argumentative, and I will not allow it.

Mr. Chambers: How are we ever to know whether it is in that or not?

The Master: That I don't know, but if it is, and it should be—that is argument.

Q. Well, is it in that Schedule 10?

The Master: He says he doesn't know.

Q. Who would know, Mr. Addicks?

The Master: Mr. Teele ought to know.

The Witness: The man who made up the schedule.

The Master: Mr. Teele, who made up the schedule, ought to know. Cross-examine him about it.

Q. Now, administrative and general expenses, 13154
which I have asked you about. Do you know whether that is credited in these schedules of Mr. Teele's?

The Master: I won't allow it. Mr. Teele is the man to ask about that.

Q. Do you know whether that item of administrative and general expenses of $36,728.50 is included in Mr. Teele's schedules, do you?

Mr. Ransom: I object to the question.

The Master: Objection sustained.

Mr. Chambers: I am asking if he knows.

The Master: I won't permit the question. I won't permit him to say what is in Mr. Teele's statement. Mr. Teele can testify to that.

Q. Well, do you know if it is in the items set out in 13155
the company's ledger for salaries for 1918?

Mr. Ransom: I object to the question as immaterial, irrelevant and incompetent.

The Master: I will sustain the objection, not on that ground, but on the ground that these things can be brought out better from Mr. Teele.

Mr. Chambers: Well, if your Honor please, we will never know.

The Master: I will.

Mr. Chambers (continuing): Just exactly who

is the person to enlighten us most on these subjects.

The Master: When Mr. Teele gets on, if by any possibility I see you ought to get somebody else, you call me for it.

Mr. Chambers: Where you fall into error on this, Mr. Teele doesn't know anything about the company's business any more than you or I do.

The Master: Mr. Teele has attempted to make up a schedule which he attempts to say he knows is a summary of the books, from which I
13157 assume that he knows what the books contain.

Mr. Chambers: Well, he hasn't any more knowledge than the Master has as to what the company did or did not do.

The Master: I am going to find out how valuable his tabulation is by the time you men get through.

Mr. O'Brien: Let me advance a thought right here, and that is this, that this tabulation is presumably made up from the same sources that Mr. Teele made his figures, except as to certain items in the Teele schedule which he made up from papers and records extraneous to the general
13158 books of account.

The Master: No.

Mr. O'Brien: Now, the witness has testified that he knows that these figures here are drawn from the journal, drawn from the ledger, drawn from the sundry creditors' books at pages blank, blank and blank, and so on, and he ought to be able to determine whether or not they were in those books and whether or not Mr. Teele has extracted them from the books correctly.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Mr. Addicks, you don't know anything then at all about the way the company kept their books for operating expenses for 1918, so far as these items are concerned, set forth on Exhibit 344?

A. I am not the accounting officer of the company, and I have not that familiarity with the accounts of the company that the accounting department has.

Q. The extent of your knowledge of the information you set forth on Exhibit 344 consists only of what you took off the books, is that it?

A. By inspection of the papers and books I established that these accounts appeared on the books of 13160
the company as shown on this statement.

Q. I know, but you did not keep track of the labor, for instance, or know anything about it, did you?

A. I stated particularly with respect to that that there were a multiplicity of accounts in that case, and that was checked by Mr. Harry Armstrong, the Comptroller of the company, for me. I could not go over every one of these detailed items.

Q. The steam, you have no personal knowledge as to whether any steam was furnished at all, or not?

A. The steam I have a great deal of personal knowledge of, on account of my dealings with it, and I know it required steam to do the work of the plant, 13161
and I have the report of the Committee in connection with it, and I looked on the journal and found the items there of the original charge, and also of the final charge that was agreed upon and the credit balance to the government and the transfer of the credit balance of the government to these accounts.

Q. But you haven't any knowledge as to how much steam was furnished, or upon what days it was furnished, have you? A. I have knowledge of the fact that steam was furnished from day to day. I have not knowledge of the exact amount, and that exact

amount was arrived at by a conference between the government and the company.

Q. Who figured out the loss in the gas volume?

A. The loss in gas volume is provided for in the contract at 40 cubic feet, as I recall, for each gallon of light oils, specifically provided for in the contract to govern that question.

Q. How did you compute the amount of loss in gas volume, who did that?

The Master: He just said that.

Q. Did you?

13163 The Master: He just said that.

Mr. Chambers: No, he only said what the contract provided for. Now, I want to know how they came to do it, who did it?

The Master: Who determined what the amount of light oil was?

The Witness: Undoubtedly the accounting department.

The Master: Well, didn't the government have some record showing the amount of light oil they got?

The Witness: The government—that was passed upon by the government.

13164 The Master: The minute somebody determined the amount of light oil extracted, it was simply a matter of arithmetic to determine the amount of loss of gas volume.

The Witness: Yes.

Q. And you had to multiply the gas by some price, didn't you?

The Master: No, the contract provides that for every gallon of light oil extracted it will be assumed that there was a certain loss of gas volume, and it was simply an arithmetical proposition to figure the amount.

Mr. Chambers: And they would have to multiply the gas volume by the price?

The Master: Yes.

Mr. Chambers: What was the price?

The Master: The contract speaks for itself.

A. The price of gas was not fixed in the contract, and where gas was taken from the street mains through a consumer's meter for some laboratory work, the regular price of 80 cents per thousand cubic feet was charged. That item is a very small item. It does not appear in the absorbed gas.

Q. The fact is that whatever loss in volume there 13166
was of gas attributable to this operation by the government you by contract charged the United States government in 1918 only 80 cents per thousand cubic feet for it. Isn't that so?

A. No.

Q. What did you charge the government per thousand cubic feet?

A. We charged the government per thousand cubic feet the cost of that gas.

Q. What was the cost of it?

A. The cost of the gas was the cost in the holder during the period less certain distribution expense, which was not considered to be involved in the cost, 13167
and to that was added certain figures of taxes, insurance, repairs, renewals and interest.

Q. I want to know in cents what you charged the government as the cost of the gas in the holder under that item?

Mr. Ransom: I object to the question as to its form. He may state the price per thousand cubic feet which the government paid. The contract speaks for itself as to what the basis is.

Mr. Chambers: No, your Honor is interested in the cost of gas—

The Master: Judge Ransom for a second there assumed that he was still a Judge of the City Court. I think perhaps I am here to say what he may testify to.

Mr. Ransom: I am here to present my views.

The Master: I am going to allow the question. What was the price you charged, in money.

Q. As the cost in the holder?

A. I do not know at this time?

Q. Well, who would know?

A. The person who rendered the bill to the govern-
13169 ment would undoubtedly know.

By the Master:

Q. Did you ever see that figure?

A. Yes.

Q. Did you work on arriving at that figure?

A. I worked on arriving at the principle by which that figure should be obtained, not on the actual figuring of the cost in any particular month.

Q. Did the figure vary from time to time?

A. I do not know as to that, as I did not render the bill to the government.

By Mr. Chambers:

Q. Who besides yourself worked on the cost of
13170 the gas in the holder?

A. I think Mr. Armstrong worked on that question.

Q. Mr. Armstrong of your company?

A. Yes, sir.

By Mr. Ransom:

Q. The comptroller.

A. The comptroller.

By Mr. Chambers:

Q. He is not an engineer?

A. No.

Q. What did you add to the cost of the gas in the holder?

13171

The Master: I think the witness has stated that.

Mr. Chambers: No, not in money. He said insurance, etc., but what did it amount to in money.

Q. Do you know what it amounted to in money?

A. No.

Q. Of course that would give me the price of gas in the holder. So you don't know, on this item of loss in volume, what you charged the government per thousand cubic feet?

A. No.

13172

The Master: Do you want Mr. Armstrong, do you want to call him?

Mr. Chambers: Yes, of course I want to follow that up.

Mr. Ransom: Mr. Armstrong will be called if it is desired.

Mr. O'Brien: Well, I think you ought to put on the men that really made up these figures, and give us a chance to examine them.

The Master: What is in my mind, Mr. O'Brien, is that you may be sorry that you insist on it.

Mr. Chambers: Oh, we are not bound by it.

13173

The Master: Oh, yes, if you request that this witness be called I am going to give a good deal of weight to it.

Mr. O'Brien: It is just another way of expressing the objection to the witness's testimony that he doesn't know anything about the figures that made up these totals.

Mr. Ransom: They insisted on it—

Mr. O'Brien: It doesn't make any difference whether it is Armstrong or Aldrich or anybody else, or Mr. Cortelyou.

The Master: If Mr. Armstrong is called and asked to give testimony as to the price charged to the government I want to see if counsel for defendants are going to object.

Mr. Chambers: I say that we are not bound by the cost in the holder that they fixed to the government.

The Master: My guess is that when Mr. Armstrong is called and is asked the direct question, how much did you figure that gas cost, and how much did you charge the government, you will
13175 object to it, and I will probably have to sustain the objection. That is my guess.

Mr. Chambers: Well, your Honor is anticipating a good deal. Are we not entitled to know when this exhibit is offered in evidence what they charged for gas in the holder?

The Master: Yes, and I am going to direct Mr. Ransom to produce Mr. Armstrong and ask him that question.

Mr. Chambers: And are we bound in this case that that is the cost of gas?

The Master: No.

Mr. Chambers: We want to find out what was
13176 charged to the government, and I want to know it now.

The Master: I am curious to see if he is called and asked the direct question, whether you gentlemen object.

Mr. Chambers: It is for the purpose of ascertaining the credit to be deducted.

Mr. Ransom: I called Mr. Addicks in this case, they clamored for him for several days, and now when they have him they don't like him. I shall call Mr. Armstrong, and when I call him they will not like him either.

Mr. O'Brien: What was your plan originally, were you going to ask the witness these questions about toluol?

The Master: Just one minute—

Mr. Chambers: This is a sloppy way in which they are presenting this case. They put a man on here who knows nothing about the subject-matter.

The Master: The way to bring that out is by questions.

Mr. Chambers: And I am doing it. I think I have shown quite successfully that Mr. Addicks doesn't know anything at all about the figures 13178
contained on this Exhibit 344.

The Master: Don't let us have any more argument. What is the next question?

Mr. Chambers: Substantially every item I have challenged he doesn't know anything about, or there is some mistake, or it does not conform to their other exhibits.

Mr. O'Brien: We ought to have Schoenfest and Snyder here.

Mr. Chambers: I think practically every exhibit they have presented here has had some fundamental flaw or error in it.

Mr. Ransom: In your malign mind. 13179

Mr. Chambers: I wish you would show me one that hasn't got an error in it, and an important error in it.

The Master: Next question.

Q. Now, "residuals sold and used"—what do you mean by "used"? Used by the Consolidated Gas Company?

A. Yes.

Q. You mean that substance that was in the bottom or that was left over after the other hydrocarbonates were taken out?

A. Yes.

13180 Walter R. Addicks, Cross.

Q. You burned that you mean?

A. Yes.

Q. And used it for fuel at your 21st Street plant?

A. Yes.

Q. Used it in connection with the boilers?

A. Yes.

Q. Now, who figured out how much of the residuals you burned, who did that?

A. The superintendent of the 21st Street plant.

Q. You dont' know anything about the accuracy of that amount of residuals that were burned, do you,
13181 yourself?

A. Those figures were determined at the government plant under the government inspectors and checked by government inspectors, and a bill was rendered in accordance with that, and the government paid the account.

The Master: But you personally don't know.

The Witness: I personally did not do any measuring whatever.

Q. Now, the residuals sold, who ascertained how much of it you sold?

A. The residuals sold were determined in the government plant undoubtedly by a government employee
13182 who was paid by us.

Q. You know nothing about it personally?

A. No, it was not our property, it was the property of the government, it was merely sold under government order as government property and credited according to orders of the government officer to the government. That is all there is to it. It has nothing to do with us whatever.

Q. I see on your Exhibit 344 you have a balance due from the government of $9,695.74. That has not been paid I take it?

A. No.

Q. It will be paid, will it?

A. It has all been approved by the government officer with the exception of about $1,900.

Q. So far as the 21st Street plant is concerned, have you made any other charge of any kind because of this toluol plant erected there by the government and operated there by the government, not set forth on this Exhibit 344?

A. No.

Q. You have no other claim, charge or credit except what is set forth there?

A. No, except as of the date of the closing of that 13184
account. The government plant still exists, and is still being cared for by watchmen and inspectors, and there may be steam used at some times. There may be some additional charges on account of that.

Q. Well, that amount would not be large?

A. Very small.

Q. Did you make any claim to the government on behalf of the gas consumers because they were getting gas which was of less candle power than the statute provided.

Mr. Ransom: I object to the question.

The Master: Objection sustained on the ground that there is no foundation for the state- 13185
ment that the consumers were getting gas of a less candle power than provided by the statute.

Q. After the government extracted these hydrocarbonates out of the gas was your gas 22 candle power?

Mr. Ransom: I object to the question as not within the scope of the cross-examination.

Q. What do you know with reference to that, if anything, as to the candle power of the gas?

Mr. Ransom: I object to it as not within the scope of the cross-examination. Your Honor was interested in a certain thing at this time—

13186 Walter R. Addicks, Cross.

Mr. Chambers: I will withdraw the question for the present.

Q. Did the Consolidated Gas Company make any claim to the United States government, by reason of the extraction of these hydrocarbonates, for loss of illuminating power of the gas?

Mr. Ransom: I object to that as not within the scope of cross-examination.

The Master: I will allow it.

Mr. Ransom: I object on the further ground that anything of that sort, if there was anything
13187 of that sort, will of necessity be in writing.

The Master: I will allow that question.

Mr. Ransom: Exception.

The Master: Did your company ever make a claim against the United States government for damages because of an alleged inferior quality of gas due to the toluol operation?

The Witness: We were under orders of the United States government—

Mr. Chambers: No, I submit he can answer that question.

Mr. O'Brien: There they are, ringing in the old Star Spangled Banner again.

13188 The Master: And you are ringing in an old-fashioned speech.

Mr. O'Brien: We want a direct answer, whatever it is.

The Master: I think, Mr. Addicks, that that can be answered categorically. Did you make any claim of that kind?

The Witness: We were required to make a claim to the claims board.

The Master: Was such a claim made?

The Witness: In the case of 99th Street gas, yes.

The Master: When was that made?

The Witness: Sometime after the armistice.

The Master: And that claim is still pending?

The Witness: That claim was considered and the contract was reinstated. It was not acted upon by the claims board recognizing the contract.

The Master: I don't quite get that.

The Witness: It was placed before the claims board, and the claims board took certain action with regard to it, and the contracts are still in force as I understand it. I am not a lawyer.

Q. What contracts do you mean? 13190

A. The original contracts that were placed in evidence.

Q. That is, the claim has not been allowed?

A. It was neither allowed nor rejected.

Q. I understood you to say a moment ago that you had no other claim whatsoever pending against the government arising out of the operation at these plants, except that which is shown on Exhibit 344?

A. Then I entirely misapprehended your question. I thought you were referring to a specific charge. Everything is pending that is covered by the contract with the government.

Q. Your claim for that loss in illuminating power 13191
of the gas by reason of the government operations is pending undetermined, and that relates only to the 99th Street plant?

A. Anything that is involved in either the 99th Street contract and the 21st Street contract, is still pending.

The Master: What is there still pending, what claims are pending? What claims has the Consolidated Gas Company made or is about to make?

The Witness: There are numerous paragraphs

in that contract by which the United States Government undertakes to protect the company in carrying out its orders and any claims which may exist on account of that, stand as they appear in the contracts, that have been put in evidence.

The Master: The only claim that has been filed so far is a claim for damage due to a loss of illuminating power on the 99th Street gas. Is that correct?

The Witness: The only matter that was placed
13193 before the claim board was that referring to 99th Street gas.

By Mr. Chambers:

Q. Have you in contemplation making a similar claim for the 21st Street works or station?

A. I cannot answer as to how the settlement, the final settlement of the contract will be performed. It is a matter on which the legal advisors of the company would undoubtedly advise the officers of the company how to proceed.

Q. Who has that in charge—Mr. Garver?

A. Our senior counsel, Mr. Garver, would undoubtedly be the one who would advise us.

13194 Q. So these contracts are still open for final adjustment?

A. These contracts are still open.

Q. For final adjustment?

A. Undoubtedly. The plants themselves are still running and we are still spending money there under orders of the government.

Mr. O'Brien: You are still spending it?

The Witness: We are still spending money under the government's orders.

The Master: For watchmen, inspectors, et cetera?

Q. Does the Consolidated Gas Company intend to lay a claim against the United States government for any losses of any kind, suffered by the Consolidated Gas Company, by reason of the government operations at these two plants, including a claim for loss in illuminating power of the gas?

A. I am a vice-president of the Consolidated Gas Company, and as such I do not know that I can properly answer that question.

Q. I know, but you signed this contract?

A. I did.

Q. This toluol contract? 13196

A. I did.

The Master: What is your mind about it?

The Witness: To my mind we would claim everything from the government, covering that contract, in whatever phase that claim took.

Q. That would allow you to claim loss in the illuminating power of the gas?

A. It would allow us to include anything that is included in the terms of the contract.

Q. Do you not say that is included?

A. If that were a part of the claim, yes.

Q. Have you any idea what the claim already filed in that regard amounts to in money? 13197

Mr. Ransom: I object to the question. If there is any such document the document speaks for itself.

The Master: I will allow it on cross-examination.

Mr. Ransom: Exception.

A. It is not expressed in money.

Q. Have you any idea what it amounts to yourself?

Mr. Ransom: I object to the question.

The Master: Objection overruled.

Mr. Ransom: Exception.

A. No.

Q. Does it run up into, say, half a million? Is that too much?

Mr. Ransom: I object to the question as incompetent and immaterial.

The Master: I will allow it.

Mr. Ransom: Exception.

A. I do not know.

Q. Have you made any claims for loss of heating power of the gas of these two plants, by reason of
13199 the government operation of the toluol contracts?

A. I do not recall any claim on loss of heating power.

Q. Is that one of the matters that is held for further consideration?

A. I do not know.

Mr. O'Brien: *In futuro.*

The Witness: The heating power of the gas is not the legal requirement of our gas.

Q. Have you any idea what you claim as damages by reason of any of these matters we have just spoken of?

Mr. Ransom: I object to the question.

13200 The Master: The question is allowed.

Mr. Ransom: Exception.

A. No.

Q. You cannot even give me an approximate amount?

A. No.

Q. Has anybody working for the Consolidated Gas Company made any estimates or prepared any figures on the damages for these matters we have just been speaking of?

Mr. Ransom: I object to this line of interrogation at this time as incompetent and immaterial. It is not cross-examination.

The Master: I will allow it.

Mr. Ransom: Exception.

The Master: Is there anybody preparing any figures, Mr. Addicks, that you know of?

The Witness: No one is preparing any figures, no.

Q. Past tense—has anybody prepared any figures?

A. Past tense?

Q. You spoke of the present.

A. As to the past tense, I have discussed matters with the Ordnance Department from time to time with respect to that. 13202

Q. Did you speak of figures, Mr. Addicks?

A. Yes.

Q. What kind of figures did you talk about? I mean what did you suggest they ought to pay?

Q. I did not suggest that they ought to pay anything.

Q. When you speak of figures, what figures did you speak of?

A. I spoke of some theoretical figure that some theorist had talked about.

Q. What is that; that is what I want to get?

A. I do not remember the figures.

Q. Have you no idea? 13203

A. No, at this time I cannot recall.

Q. Who was the theorist that suggested figures?

Mr. Ransom: I object to this line of inquiry.

Mr. Chambers: Of course, you do. I appreciate that.

Mr. Ransom: There is nothing before the Court to indicate that this company regards that it has any claim in this respect. The witness has indicated what took place in that respect, and Mr. Chambers constantly assumes something to the contrary. The matter is one which was

purely brought out on cross-examination. It is not within the scope of cross-examination.

Mr. Chambers: Are you in earnest about that?

The Master: The objection is overruled, and the question allowed.

Mr. Ransom: Exception.

Mr. Chambers: It is provoking to have counsel look so serious when he makes so foolish an objection.

The Master: Let us get along. This Company's gas was used in the manufacture of toluol
13205 last year, and I want to know whether there are any claims pending by reason of it.

Mr. Chambers: To which the consumers is entitled to credit.

The Master: I am not talking about consumers just now. I am talking about this litigation. I want to know whether that reflects or should reflect in the operating revenues of 1918, and I am going to take this proof.

Mr. Ransom: Whether the company considers it has any claim.

The Master: What was the last question?

13206 (The stenographer repeated the question.)

Mr. O'Brien: I suggest even if they have not taken the form of a claim yet—

The Master: Is there any matter now requiring my ruling?

Mr. Chambers: Yes. Who was the theorist?

The Master: No, that requires an answer. There is nothing before me now that requires any discussion, is there?

Mr. O'Brien: Except that Judge Ransom's comment called for something from me.

The Master: No; let us have an answer to that. Who was the theorist you had in mind?

A. I cannot specify any particular one; nobody connected with the company.

Q. Give us all of them—all of the theorists that you talked with about it, their names.

The Master: I would like to know what you had in mind when you spoke of figures that some theorist presented or suggested.

The Witness: A general theory of the value of gas based on some theory of quality, in place of the value of that gas based on actual use.

Q. You said you had figures. That speaks not of figures. What I want to get at is what figures you had. 13208

Mr. Ransom: I think that has all been covered. I object to it.

The Master: The question is allowed.

Mr. Ransom: Exception.

A. When Major Burns of the Ordnance Department called upon me we discussed certain matters with respect to the theory of the value of gas, washed and unwashed, based on theory.

Q. How long ago was it you had this conversation with the Ordnance Department?

A. I should say six months or so ago.

Q. And who was the person you talked with in the Ordnance Department? 13209

A. Major Burns; now Colonel Burns.

By the Master:

Q. Have you any idea, Mr. Addicks, how much gas was washed by the government?

A. Yes.

Q. How much?

A. At 21st Street 3,437,409.91 cubic feet.

Q. Three and a half million cubic feet?

A. Yes, sir. At 99th Street 334,330 cubic feet.

Q. So that, as I understand it, there was washed

13210 Walter R. Addicks, Cross.

by the government in both plants approximately 3 3/4 million cubic feet?

A. Yes, sir; by the Consolidated Gas Company.

Q. So that the question under discussion between you and Major Burns was the difference between you of that 3 3/4 million cubic feet of gas, washed and unwashed?

A. No, sir.

Mr. O'Brien: As I understood it, your Honor, it was the difference in the value of the stripped and unstripped gas.

13211 The Master: I am trying to find out from Mr. Addicks the subject of this discussion.

The Witness: It was the entire volume of gas washed in all the companies, in connection with all the plants of the allied companies, including the Consolidated.

Q. There again the greater would include the less?

A. Yes, sir.

Q. Your discussion did include a discussion of this three and three-quarter million feet, washed and unwashed?

13212 A. Yes, sir.

Q. Were any figures discussed as to the value of that gas washed and unwashed, cubic feet or thousand cubic feet?

A. Only on the basis of theoretical use, based on quality.

Q. Yes, and what was that?

A. Which included the whole but not segregated as to the Consolidated Gas Company.

Q. What was the figure discussed as to the difference between washed and unwashed gas?

A. I cannot remember.

Q. Can you tell us approximately?

A. I would not want to say approximately, your Honor, without having a memorandum to that effect.

Q. What was the result of that discussion?

A. That discussion was had at the time that Major Burns went to see the City of New York with respect to the gas furnished by the City of New York, and there was no result.

Mr. O'Brien: Furnished to the City of New York?

The Witness: Furnished to the City of New York. 13214

Q. Have you heard any more of it since?

A. No, I have not. Major Burns did not communicate with me afterwards with respect to it. I called him on the phone and I had a short conversation with him, but with no tangible result.

Q. How late was this last conversation?

A. This was within two weeks, I should say, of the first interview, and the interview was entirely in connection with the City of New York not having paid the bills and making a theoretical reduction on the bills, or rather failing to pay the full balance due the company.

Q. Am I to understand that the City of New York 13215 has taken the position that the quality of gas furnished was not up to standard and therefore they want a rebate?

A. The City of New York has withheld from the company a certain proportion of the bills rendered to them.

Q. Assigning what reason?

A. Assigning the reason that from their point of view it did not conform with the contract which was made between the City and the Consolidated Gas Compapy for the supply of gas to buildings.

13216 Walter R. Addicks, Cross.

Q. Public buildings?

A. Public buildings.

Q. As to quality?

A. Yes, as to quality.

Q. Candle power?

A. Yes, candle power.

Q. That question is still, then, an open question?

A. As between the City and the Gas Company, yes.

Q. And as between the Gas Company and the government?

13217 A. And as between the Gas Company and the government.

Q. And the question to be determined is what is the difference in value between washed and unwashed gas, if any?

A. Yes.

By Mr. Chambers:

Q. Do you claim there is a difference?

A. I claim from the practical use of gas in New York during the washing period there is no difference in the value of the gas, so far as I can see, in the use of gas furnished during the washing period from any other periods. As a matter of simply referring

13218 to the amount of gas used, the use of gas does not indicate what, if any, difference there may be.

Mr. O'Brien: Are you qualifying the first part of your sentence by the last?

The Master: I have not permitted you, Mr. O'Brien, to ask any questions at this time.

Mr. O'Brien: I beg your pardon, your Honor, but I wanted to nail that while he was going.

By Mr. Chambers:

Q. A moment ago you spoke of these figures of three and three-quarter million cubic feet of gas. Did you say that was washed gas?

A. That was the amount of manufactured gas which was diverted by the orders of the government to the toluol plant and went through that toluol plant.

Q. And which had had extracted from it the hydrocarbons?

A. Right.

By the Master:

Q. That is rather a small percentage of your total output during that period, isn't it?

A. That was all the gas manufactured.

Q. In those two plants?

A. Yes, sir. No, not all. There were times when 13220
some of the gas was by-passed from that plant, and some small quantity might have gone through that was not washed.

By Mr. Chambers:

Q. Mr. Addicks, look at these figures, will you? There is something wrong. You do not mean that is only a day's output. What are they? Give the stenographer the figures, will you, the correct figure?

A. That is billions instead of millions. It is the number of thousand cubic feet, it would be.

The Master: Three billion.

Q. Give the stenographer afresh the correct figures, 13221
will you?

A. It would be 3,437,491,000.

The Master: It would be about three and three-quarter billion instead of three and three-quarter million?

The Witness: Yes.

Mr. Ransom: I think the record shows it correctly, because he said so many thousand cubic feet.

Q. So, if the stenographer has it the way that we recorded it here, these figures I showed you, you do

not mean that you mean the highest figure you have given?

A. Those figures that I gave with three naughts added to it.

The Master: In other words, the figure that you discussed before, that I said three and three-quarter million cubic feet means three and three-quarter thousand million cubic feet.

The Witness: Yes.

Q. Have you made up your mind what you claim per thousand cubic feet for the difference in the washed
13223 and not washed?

Mr. Ransom: I object to the question on the ground he has not said they claimed anything. On the contrary, it appears that they do not.

The Master: I will let Mr. Addicks answer the question.

The Witness: I have not.

By the Master:

Q. If the City of New York were by any possibility to establish the proposition that they are entitled to a credit because of this, you would persist in your claim against the government, would you not, without any question?

13224 A. Yes.

Q. And whatever amount the City might succeed in collecting you would insist upon the government paying you?

A. Yes.

Q. And you might go further and claim other quantities not furnished to the City?

A. Yes.

Q. That is the attitude of the Gas Company, is it?

A. Yes.

By Mr. Chambers:

Q. Mr. Addicks, if any one of your half a million consumers claim that same thing that the City claims, will you then undertake to obtain for them this rebate from the government and credit?

The Master: I won't allow that question.

Mr. Chambers: Well, your Honor asked him if the City did. Why not if any other consumer? What attitude will they take to other consumers?

The Master: I am not going to go into that.

Mr. Ransom: Let the consumers claim it.

Mr. Chambers: The consumers cannot make 13226
a claim to the government.

The Master: Listen to me a minute. There has been a good deal of discussion in the nature of inquiry by question and answer which led me to feel that I wanted to get the exact attitude of the Consolidated Gas Company on this situation. Apparently this thing has been brought by the City retaining part of the money payable to the Gas Company, according to its view, and that has brought up the question as to whether a claim of that kind is proper. Now, the City has made that claim, it has started this argument. 13227
I take it that the Gas Company under advice of its counsel will do either one of two things, either it will litigate it with the City and then go back to the government, or it may vouch in the government in some litigation with the City, or it may of its own accord file a claim with the government and vouch in the City, and in some manner or form dispose of this question. I do not think we need any more about it.

Mr. Chambers: I do not think it is a fair attitude for the Gas Company to take, not to press a claim on behalf of their other consumers.

13228 Walter R. Addicks, Cross.

The Master: They may do that.

Mr. Chambers: The consumers cannot initiate it.

The Master: If the Gas Company under the advice of its counsel concludes to clean up this situation by making its claim against the government, giving notice to the City to come in and participate in the discussion of that claim, it would mean this, as I take it, as a matter of law, that the City not having paid its bill, if the claim of the Consolidated Gas Company is sustained,
13229 the City will be entitled to hold back this amount, but the consumers, as a matter of law, if I am not mistaken about it, could never recover it because they voluntarily paid their bills.

Mr. O'Brien: Oh, no, your Honor.

The Master: As a voluntary payment?

Mr. O'Brien: I must differ from your Honor on that proposition.

The Master: You need not argue it with me, because I said, "If I am not mistaken." I am ending the discussion.

Mr. Chambers: But don't you see the unfair
13230 position of the Gas Company? They are an unwilling party to this, what seems to us to be a just claim. We will have to force them to do what is fair.

Mr. O'Brien: Will your Honor let me know your decision now on that clearly? You take the position that if sometime in the future it becomes established that the City has a right to reduce their bills from the Gas Company due to the fact that they did not get the candle power required under the contract and under the law, that then this amount of money deducted from the City bills would figure in this case, but as

13231

to the consumers who paid their bills for the gas that they received under the various threats of the company during the past year, that they cannot get the money back and that it is not in this case?

The Master: I am not going to answer your question.

Mr. O'Brien: Well, I want to know if that is your ruling.

The Master: I have made no ruling on it.

Mr. O'Brien: Well, you have made that ruling, because you said—

13232

The Master: I have made no ruling on it at all, I have been discussing the point brought up by Mr. Chambers' inquiry, as to what I understand the attitude of the company is. I did not permit the last question because it is entirely too speculative. It will depend entirely upon what counsel to the Gas Company advises with reference to it. Now, as I see it, from the standpoint of an entire outsider, and I might change my mind completely if I were counsel for the Gas Company. The City of New York comes in and holds back a certain amount of money and says "We won't pay it, because you have not given us what you agreed to give us."

13233

Mr. Chambers: Nor what the law says you must give us.

The Master: I don't care whether it is the law, or what?

Mr. O'Brien: Well, both the law and the contract.

The Master: The Gas Company is met with a problem which can be handled in one of several ways as indicated. They might sue the City of New York to recover and arrange with the United

13234 Walter R. Addicks, Cross.

States government to participate in the suit so as to decide the whole question, or they might conclude to contest their claim against the government, giving notice to the City, if the City wanted to be fair about it, to come in and discuss the question. I said in passing that an entirely different question might arise as to private consumers because the law, the courts, might hold that they have voluntarily paid their bills, and they might not be able to recover it back, but it was all by way of discussion, I have made
13235 no ruling, and I have simply tried to explain to you gentlemen why I conceived that this witness cannot make any more definite statement on that subject.

Mr. Chambers: Right here, the attitude of the company, if they have sold these consumers gas which is not up to the requirements because they had a contract with the government, now they should try to protect their consumers and get the difference back for the consumers.

The Master: I am not a bit concerned about consumers' rights under those circumstances. The
13236 only thing I am concerned about in this case is whether the statute which says that the gas company cannot charge the consumers more than eighty cents is or is not confiscatory. That is the only interest I have in the consumers just now.

Mr. O'Brien: Isn't this a fair proposition, that the consumers, so far as the issues in this case are concerned, are entitled, when it comes to the question of operating expenses and operating revenues in the matter of making gas to be sold at eighty cents, are entitled to any revenues that have come from the making of the gas if the

company turned over facilities to the government and if there is any return that might be derived, not liquidated already necessarily, but that may be derived by the complainant company under the terms of their contract with the government? The consumers are entitled to that in this case, and we are entitled to have it estimated.

The Master: I say this again, as I have said a number of times: All of these questions are merely side issues, it does not directly bear upon what it cost to make and distribute gas. It is an 13238
unusual situation which may bear upon it in another form, but it does not and will not bear upon the cost of making gas in 1919, and it did not bear upon it any time.

Mr. Chambers: Suppose they get $10,000,000 from the government in 1918 for this difference in the quality of the gas, should not that be credited to operating expenses?

The Master: Will that reduce the cost of making gas in 1919?

Mr. Chambers: Reduce it $10,000,000. Certainly, why not?

The Master: How? 13239

Mr. Chambers: Because the costs of operating—

Mr. O'Brien: For aught we know, the complainant company and its affiliated companies will get from Uncle Sam millions of dollars by reason of what took place last year.

The Master: Based on my experience with Uncle Sam, they will have a long, long road to travel to get it.

Mr. O'Brien: I will have something to say when I cross-examine the witness.

13240 Walter R. Addicks, Cross.

The Master: We will get to that later on.

Mr. O'Brien: And I will bring the record to show what I mean.

Mr. Ransom: We can't get anything unless the consumers get it from the company.

The Master: I don't know whether the consumers can get it or not.

Mr. Ransom: I am sure they can't, and I am sure the City cannot either.

Mr. O'Brien: Under the threats to shut off gas, the penalties that are visited upon the con-
13241 sumer, he always pays.

The Master: If that is so, that is not a voluntary payment. Don't let us get into something I haven't made any ruling about. It don't affect the cost of making gas, it didn't in 1917, and it won't in 1919.

Mr. O'Brien: We have a lot of journalized entries that will tell the story when we get to it.

The Master: You know what I think of journalized entries?

Mr. O'Brien: Talk about benzolized stuff, this is journalized.

13242 By Mr. Chambers:

Q. Mr. Addicks, don't take your gas, take any gas, theoretical gas, a thousand cubic feet of it of a certain candle power that goes into this government tolvol plant for stripping, when the stripping process is completed and the gas is ready for distribution to the consumer, how much candle power has it lost in the process, not yours, but anybody's gas?

Mr. Ransom: I object to the question, not cross-examination, it is hypothetical and incompetent.

The Master: I think I will allow it.

Mr. Ransom: Exception. How can he ask about anybody's gas?

The Master: I think it has been answered. I think Mr. Addicks said it lost about half of the candle power it had when manufactured.

Mr. Chambers: That was before the benzol was put back?

The Master: Yes.

Mr. Chambers: I am speaking of this very process that he described, when the benzol and everything is put back, that the government put back. 13244

Mr. Ransom: I object to the question in its amended form because it becomes clearly hypothetical and incompetent, because in the first place the uncertainty as to what the candle power was when put in, in the second place the quantity of benzol taken out, the third place the quantity of benzol put back. The factors are variable and hypothetical.

The Master: I will let the witness state that, if that is the fact.

The Witness: I don't know what anybody's gas might be, and I cannot answer that question intelligently. 13245

Q. All right, sir. Take a gas of twenty-three candle power, that enters the government toluol plant, this very one at 21st Street, and after the government is all through with extracting these elements that it takes out and delivers it back to the company, how much candle power has it lost?

Mr. Ransom: I object to the question on the grounds already stated.

The Master: I will allow it.

Mr. Ransom: Exception.

A. That depends upon how much the gas has been washed.

Q. Well, let us take the twenty-three candle power that goes in, and let us wash it just as much as the government washed it at your plant in June, 1918?

Mr. Ransom: Now, they are making him their own witness on that.

The Master: I know it.

Mr. Ransom: This is not cross-examination. They are bound by it.

A. I don't remember—

13247 Mr. Chambers: I don't think we are quite bound in that way.

The Master: Well, don't fuss with it.

A. (Continuing.) I do not remember the candle power of the gas at 21st Street that was washed.

Q. I am asking you to assume twenty-three?

A. Assuming twenty-three, if it was washed to the same extent as the wash at 21st Street, I do not want to be bound to the specific figure that I give though, it would be substantially a loss of probably at least ten candles and possibly one-half of the original candle power.

By the Master:

13248 Q. Now, Mr. Chambers is asking what its candle power is after the benzol is vaporized and restored to it?

A. The candle power?

Q. What would it bring it back to?

A. The candle power of the gas after the benzol has been put in, I am not prepared to say how much the candle power would be after returning the benzol that has been taken out by the government and all of the benzol returned, but it depends upon the value of benzol for enriching purposes under those cir-

cumstances, and I have no data to answer intelligently and accurately that question.

By Mr. Chambers:

Q. Did you notice how it was carried on there? You have described it in detail?

A. Yes, I was at the plant.

Q. And you know how much benzol was taken out from time to time?

A. I did know how much benzol was taken out from time to time.

Q. And you knew what other—

A. How much was put back also. 13250

Q. Yes. Now, under the process that you saw there, the amount of benzol that was taken out and the amount that was put back, assuming your candle power was twenty-three when it started into the washing plant and then was redelivered to the company, you say you are unable to state how much candle power it lost?

A. I am unable to state at this time what candle power was lost.

Q. It lost some?

A. Yes, and some was replaced.

Q. Would it have lost two or three candle power?

A. I should say that whatever the loss was, that 13251
it was increased two or three candle power by what was replaced.

Q. Your best judgment is then that that twenty-three candle power after the washing process as you observed it there, would make it about a twenty candle power when it came out?

A. No, I do not say that.

Q. How much?

A. I said if it would be washed the way that we washed it, that it would probably be reduced ten candles, and—

13252

The Master: That would bring it to thirteen?

A. And that two or three candles probably were added to it by putting back the benzol.

The Master: That would bring it back to about sixteen?

Q. That would make it about sixteen?

A. Under those circumstances. That of course is in the government toluol plant.

The Master: Was that candle power increased later on by any method by the Consolidated Gas Company?

13253 The Witness: It was increased during a portion of the washing by virtue of the light oil that is in the gas oil.

By Mr. Ransom:

Q. How about by-passing?

A. It was also increased from time to time by by-passing the gas in washing.

Q. That is, high candle power gas was by-passed?

A. Yes, sir, that portion was not washed, and the candle power was increased from time to time, all under the orders of the United States government in every case.

13254 Mr. O'Brien: Now, your Honor—

The Master: Yes, they are waving the Star Spangled Banner again—I can make that speech as well as you can.

Mr. O'Brien: Not only that, but we come to a new wrinkle now, this by-passing.

Mr. Chambers: I am going into that.

By Mr. Chambers:

Q. Mr. Addicks, then you say you did, while the United States government was carrying on this washing process, you did add candle power to the gas?

A. The government added it.

Q. The government added candle power?

A. Yes.

Q. Did they add as much as they took out?

Mr. Ransom: I object to the question. It does not appear that the witness knows. I will allow it. Sooner or later we are going to get these facts, and we might as well get them now. The ultimate question, Mr. Addicks, is this: Taking the gas that was turned into the toluol plants at 99th Street and 21st Street, is it a fact that that gas, as it came to the consumers, was probably not twenty-two candle power? 13256

Mr. Ransom: I object to the question.

Mr. Chambers: I object to that.

The Master: Why do you object to it? That is what you are trying to show.

Mr. Chambers: I am trying to get at the fact, did the government put back whatever candle power they took out, or didn't they? That was the first I knew that the government—

The Master: It is another form of the same question. The ultimate question you are trying to bring out is that the gas delivered to consumers was not twenty-two candle power.

Mr. Chambers: I will withdraw the question and start *de novo*. 13257

Mr. O'Brien: They start with the assumption that they started with twenty-two candle power. That is to be proved.

Mr. Ransom: They started with twenty-six.

Mr. O'Brien: We don't know that in this case.

Mr. Ransom: I do. You don't.

Q. Mr. Addicks, did the government ascertain the candle power of the gas at the 21st Street works

and the 99th Street plant, before they turned it into their toluol plant?

A. I don't know.

Q. Did your company ascertain the candle power before the gas was turned into the government toluol plant?

A. Under the instructions of the United States officers certain determinations were made as to the gas that was turned into the government plant.

Q. Then there was a record made of the candle power before, we may say?

13259 A. But that was not the candle power taken at a point that we know candle power, except in the case of the 99th Street plant. Your question will have to be divided as between 99th Street and 21st Street, as the gas was handled in a different way. At 99th Street the gas was made and sent through the meters and sent to the government toluol plant, which was entirely separated from the Consolidated Gas Company.

The Master: Was the candle power at the 99th Street plant tested in any way by the company before it was sent out?

13260 The Witness: Yes, sir.

The Master: How?

Q. You mean before it was sent to the toluol plant?

A. Before it was sent to the government, it was tested.

The Master: How?

The Witness: In the usual way, using the candle burning at the statutory amount and weight, and the gas burning under the statutory requirement as to flame, and with the proper correction for temperature, et cetera. The candle power was determined in the normal manner that is customary.

Q. Where?

A. Right at the plant.

By the Master:

Q. Now, as to 21st Street, how was it tested, if at all?

A. Tests were made from time to time of the gas at the point where it went into the government plant, but under conditions under which it had never been tested before.

Q. Why were not tests made in the plant at 21st Street, the same as at 99th Street?

A. Because the gas was washed at 21st Street be- 13262
fore it had been passed through the purifiers of the company, whereas, at 99th Street, it was tested after it left the meter and had gone through the whole process.

Q. A record was kept of the candle power at 21st Street in the manner indicated?

A. Those were records which were reported to the government.

Q. Did your company keep any tabs on it?

A. We have the record, copies of the records that were furnished to the government.

Q. Then you approved the government's candle 13263
power, did you? Did you adopt the government's candle power test?

Mr. Ransom: I object to the question as incompetent in form and not at all within the scope of cross-examination. What you are doing here is permitting a witness who has not testified on direct concerning these matters, to be interrogated as a witness for these defendants.

The Master: I am going to take this proof.

By Mr. Chambers:

A. As I remember it is, did you adopt the test figures as to candle power that were made by the

government officers as you have described, or did you have a separate record of tests?

A. I neither adopted nor rejected. In the tests at 21st Street there were many features that were not understood by me.

Q. Did anybody in your company check them?

The Master: Wait a minute, Mr. Chambers.

By the Master:

Q. Do I correctly understand your testimony to be that because the tests were not made in the normal manner after the gas went through the purifying
13265 house, that you did not care to rely upon those tests made in the manner in which they were made?

A. Your Honor, the gas at 21st Street, where the toluol plant of the government was installed, it was required under this contract that we should use a specific quantity of oil, which was the average of five years' experience of the company, and that quantity of oil was used uniformly from day to day and not varied from day to day as it would naturally be varied under normal circumstances.

Q. You vary it according to temperature?

A. We would vary it in ordinary practice, according to the weather conditions, whereas, in the wash-
13266 ing of the gas there was a uniform quantity of oil used day by day.

Q. What effect did that have on candle power, to increase or decrease it?

A. At times, if you compared it to a similar time at another period, it would be apt to give a lower candle power at one time, and possibly a higher candle power at another time, if one had been able to test it under the same conditions, which we were not. The conditions were entirely different. That statement applied to 21st Street.

Q. Does the test vary, the candle power test vary before and after the gas goes through the purifier house?

A. We have never had any figures with respect to a test of gas before and after going through the purifier house, and at the time this question was discussed, at which Mr. Maltbie was present, I would not, for the company, reach a figure for a candle power at a point at which we knew nothing about whatever, and the quantity of oil was taken in place of any question of the candle power test.

13267

By Mr. Chambers:

13268

Q. So you did not adopt the government tests before at the 21st Street plant?

Mr. Ransom: I object to that.

The Master: He has already answered. He said he neither adopted nor rejected it.

Q. How about the 99th Street plant?

A. At the 99th Street plant the gas was also furnished with uniform quantities of oil, and test was made of the gas at the outlet of the meter.

Q. By the company?

A. By the company's employees.

By Mr. O'Brien:

13269

Q. Which meter, do you know?

A. The station meter.

Q. Which one of the station meters?

The Master: Now, Mr. O'Brien, I won't have that.

Mr. O'Brien: I will have to go back to it then.

The Master: All right, I don't care.

By Mr. Ransom:

Q. What station meter?

A. All of the station meters.

13270 Walter R. Addicks, Cross.

Q. Was a record kept of that by the company?

A. Yes, sir, I have no doubt a record is extant.

Q. Did the government make a test also at the 99th Street plant before?

A. No, I do not recall that the government made a test at that point.

Q. Did they use the government figures for that?

A. I don't remember whether they used the figures or not.

Q. Now, after the washing process, did the company at the 99th Street plant make a test of candle

13271 power?

A. After it left the 99th Street plant, the employees of the Consolidated Gas Company were not interested in the gas; they delivered it to the government under the contract.

Q. So you don't know what it lost there, so far as a test was made afterwards?

A. I do not recall.

Q. Did the government make one at the 99th Street plant after the washing process?

A. I have no doubt similar figures were made at the government plant, at the Standard plant, similar to the 21st Street, but I do not state that as a fact

13272 at this time.

Q. At the 21st Street plant did you make any test after it was washed by the government?

A. Yes, there were tests made after it was washed, as I recall.

Q. By the company?

A. Yes, by the company.

Q. And those were preserved?

A. Yes, undoubtedly.

Q. But you made none, you said before, before the gas was washed.

A. Before the gas was washed it was in the government plant, and was, therefore, a government test.

Q. So, in order to find out what the candle power was at 21st Street before it was washed and went to the government plant, the only records we have are the government records?

Mr. Ransom: I object to the question as incompetent on cross-examination.

The Master: Objection overruled. What is the fact?

The Witness: The fact is, as I recall it, that the tests were made by employees of the government. They may have been our people, but they were made for the government account. That is my memory of it. 13274

Q. I think you ought to answer that question straight from the shoulder.

Mr. Ransom: I object to his talking to his witness that way. Mr. Chambers has made Mr. Addicks the defendants' witness with respect to these matters, including the quantities of oil used in these various years.

Mr. Chambers: You are not going to disown Mr. Addicks, are you? 13275

Mr. Ransom: You have adopted him.

Q. Mr. Addicks, my question was, in order to find out the candle power at the 21st Street station during the time the government was operating the plant, the only records that were kept and preserved were the records of the government, in which some of your employees participated, perhaps.

Mr. Ransom: I object to the question on the grounds previously indicated.

The Master: Objection overruled.

A. My best memory is that the people who took the

13276 Walter R. Addicks, Cross.

candle power at that point were charged to the government account, and, therefore, their work was government work.

Q. But I want to know if that record is the only record in existence that shows the candle power, that one made by the government, in which your employees participated, or is there some other?

A. At that point I am not prepared to state at this time there were any other tests made than those tests.

Q. You mean your company may have made some kind of tests?

13277 A. Yes, they may have made some tests.

Q. That you don't know about?

A. That would not come in the category which I stated.

Q. The tests made at the 21st Street works for candle power after the washing process were the company's records which you spoke of, and the government records before, you had both?

The Master: I think that is argumentative. I think you have got it.

Mr. Ransom: You cannot catechise your witness in that way.

13278 Mr. Chambers: I want to know, if the Master please—it is clear before at the 21st Street works. Now, after I would like to know if both the government and the company made tests for candle power?

Mr. Ransom: I object to the question on the grounds already stated.

Mr. Chambers: It seems to me it is important.

The Master: I will allow that question.

Mr. Ransom: Exception.

A. The government ordered the company to carry a certain candle power at the outlet of its holders, and that candle power was carried at the outlet of

the holders in accordance with the government's orders.

Q. Was a record kept of that?

A. Yes, sir.

Q. When that candle power record test was made at the 21st Street works had the government injected into it some additional candle power that you spoke of, by a by-pass?

A. They ordered us to return the benzol from time to time in the first instance, and originally when the plant was started it was not in the control of the company. The government plant was not in the 13280
control of the company at all, but in the control of the government itself. They put in the benzol as the requirements of the government dictated. They ordered the by-pass opened at the toluol plant in accordance with their judgment and in order to maintain the candle power at the outlet of the holder, which they had ordered should be maintained and which they stated to me was in accordance with the arrangement with the Public Service Commission of the First District.

Q. So they injected into the gas after it was washed some other gas that made the candle power —brought it up to a certain standard? 13281

A. They injected into the gas a portion of the original gas manufactured. In other words, they only washed a portion of the gas and the unwashed gas, with the gas washed, affected the candle power that went out of the 21st Street holder by increasing it to a degree.

Q. At the 99th Street station after they washed it—

A. (Interposing.) At the 99th Street station the gas was not washed, but it was pumped by an exhauster which became a government exhauster, and

through a main not belonging to the Consolidated Gas Company was sent to the government plant at a location adjacent to the Standard Gas Light Company's plant.

Q. So they delivered the gas to you again after they had taken—

A. (Interposing.) After the gas had been washed there it was delivered into the mains of the company.

Q. And a record kept both by the government and the company?

13283 A. A record was kept at the outlet of that holder in the same way that it was kept at the outlet of all the holders.

The Master: Did they by-pass there, too?

The Witness: The by-passing was general and applied to all plants under the orders of the ordnance officer and, as I said, I was informed by arrangements with the Public Service Commission of the First District.

Q. Those two plants were the only plants of the company where toluol was extracted?

A. Yes.

The Master: That has been covered.

13284 Q. Did you make any effort to extract any toluol before the government undertook to do it at these two plants, or any other plants of the company?

The Master: Of the Consolidated Gas Company.

A. No.

Q. Why did you not do it in 1917?

Mr. Ransom: I object to the question as immaterial.

The Master: I will allow it.

A. At a prior time the government plants at some time about the beginning of the war and when it

was noted that toluol was an important matter the matter was taken up by me and discussed and a decision was arrived at that it was impossible to do it.

Q. On account of expense or what?

A. No, that there was no way in which we could make toluol.

Q. Did you know that the United Gas Improvement Company were doing it?

A. Yes.

Mr. Ransom: I object to the question.

The Master: It has been answered. He said 13286
yes.

Q. And doing it in 1917?

Mr. Ransom: I object to this line of inquiry. It is wholly immaterial and incompetent.

The Master: I will allow it.

A. I knew of the United Gas Improvement Company obtaining some toluol.

The Master: Where is that company?

The Witness: Philadelphia.

Q. The toluol was very valuable in 1917, was it not?

A. Yes.

Q. And in 1918? 13287

A. There were times when toluol was very valuable.

Q. Was it as valuable in 1915 and 1916?

A. It increased in value from the opening of the war and reached the climax, until the United States entered the war, when thereafter the value was fixed by the United States government.

Q. Do you know what the price of it was per gallon in 1915 and 1916?

Mr. Ransom: I object to the question.

The Master: Objection sustained.

13288 Walter R. Addicks, Cross.

Mr. Chambers: I just wanted to show that—

The Master: I know what you wanted to show. Objection sustained.

Mr. Chambers: That if they had made this they would have had a valuable asset.

The Master: Objection sustained. It is very easy to look backward and tell people what they might have done.

Q. Did not a number of other companies you heard of wash their gas in 1917?

Mr. Ransom: I object to the question.

13289 The Master: I will allow it.

A. There are many other companies in the country which are working under various quality requirements, and I know of some companies which have washed gas for toluol.

By the Master:

Q. Do I understand you felt it could not be done here with your twenty-two candle power requirement?

A. I wish you to understand, your Honor, that the gas of the Consolidated Gas Company could not have been washed commercially by the Consolidated Gas Company at any period during the war, so far as we

13290 could see.

Q. And keep up your twenty-two candle power requirement?

A. And maintain the requirements of the law.

By Mr. Chambers:

Q. Was the gas that you brought from the Astoria plant washed? Was that washed in 1918—washed gas?

Mr. Ransom: I object to the question as immaterial.

The Master: I do not think I will take that.

Mr. O'Brien: I think that is very important, your Honor.

Mr. Chambers: That is just a plant the same as 99th Street.

The Master: We are talking about the Consolidated Gas now.

Mr. Chambers: That is one of their plants.

The Master: Objection sustained.

Adjourned to Tuesday, October 14, 1919, at 1:15 P. M.

13292

Last Complainant's Exhibit No. 344.
Last Defendants' Exhibit KK.

13293

CONSOLIDATED GAS COMPANY OF NEW YORK vs. NEWTON, ETC., *et al.* 13297

Before ABRAHAM S. GILBERT, Special Master.

NEW YORK, October 14, 1919.

Met pursuant to adjournment.

Present: MR. RANSOM, MR. VILAS and MR. GOETZ, of counsel for Complainant.
MR. CHAMBERS, of counsel for defendant Newton.
MR. HAYWARD, MR. CLARK and MR. NEUMANN, of counsel for Public Service Commission. 13298
MR. O'BRIEN, of counsel for defendant Swann.

WALTER R. ADDICKS resumed the stand.

CROSS-EXAMINATION CONTINUED BY MR. O'BRIEN:

Q. Mr. Addicks, in what part of the 21st Street plant is the government's equipment set up?

A. On the south side of 21st Street, east of the 13299
meter room and purifying house, are the scrubbers of the government and certain pumps, and a tank. Going east from that point and crossing the street or avenue—I have forgotten how the avenue is designated—there is an irregular shaped plot. Upon that same plot, outside of the toluol plant there is the 500,000 gallon oil tank, and upon that plot and including the street the government plant is located, the street having been fenced off by—the city having allowed the government to fence it off.

Q. Will you take Exhibits 178 and—

13300 Walter R. Addicks, Cross.

A. There is a blueprint which is attached to the contract at 21st Street. The irregular plot I spoke of is east of Avenue B, and between 20th and 21st Streets and is shown on Exhibit 178, showing the 21st Street plant as block No. 987, lot 37. It occupies the irregular portion of that plot. The scrubbers were located as I described, east, in the open space, east of the purifying house, and are shown in approximate area on the blueprint in connection with the contract.

Q. Did these two buildings marked A and B on the
13301 blueprint accompanying the contract constitute all of the construction that was set up by the government in connection with the 21st Street station?

A. No.

Q. What else is there above the ground or under the ground?

A. There are pipe connections which connect the toluol scrubbers with the toluol plant proper east of Avenue B, which are located in the sidewalk on 20th Street, and are located under a special franchise from the City of New York.

Q. A temporary permit?

A. A temporary permit and with the provisions
13302 that on the cessation of work for the government they must be removed.

Q. Who installed them?

A. Those were installed by the government contractors in connection with the other work.

Q. Did Koppers & Company do that work?

A. I think so.

Q. Are there any other connections between A and B as shown on this blueprint, or any other structures of any kind which were erected by you for the government in connection with this work, or by the government itself?

A. In the meter room of the 21st Street works there were certain test scrubbers which were erected and connections made from there to the government plant, including a photometer.

Q. When were these test scrubbers erected?

A. Some time after the plant started.

Q. You mean sometime then after September 1, 1918?

A. No, sometime after the 14th day of April, 1919.

Q. Can you not fix the date?

A. I cannot, and I have no way of fixing the date. 13304

Q. Why do you say you haven't any way?

A. I haven't any memorandum that would fix that date.

Q. You mean in court?

A. In court.

Q. Would the Operating Journal help your memory?

A. No.

Q. Have you ever been over this journal in connection with this toluol work?

A. I referred to the journal in connection with the steam adjustment. I don't know whether it was that journal or not. 13305

The Master: You referred to some book?

The Witness: I referred to some book.

Q. You appreciated that you were called here to testify on the question—I mean as to the entire contract with the government and claims that had been made or may be made?

Mr. Ransom: I object to the question.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Why didn't you prepare memoranda indicating when these things were done.

13306 Walter R. Addicks, Cross.

Mr. Ransom: That is objected to.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. At whose expense was this testing apparatus put up?

A. The United States government.

Q. Does it use in any way equipment of the complainant company?

A. I think not, in any particular.

Q. Does the gas of the complainant company go through it, or has it ever gone through it for the
13307 purposes of testing?

A. No, they were new pipes that were installed at that time.

Q. What was the object of putting in this testing apparatus?

The Master: Objection sustained.

Mr. O'Brien: That your Honor may understand my line of inquiry, I feel that we are entitled to find out how far the company went to protect the consumers who must pay all its operating expenses in the price they pay for gas.

The Master: I don't think it is important.

Mr. O'Brien: And what work was done for
13308 which this company has today or will have in the near future a claim against the United States government?

The Master: I do not think it is important. I will not allow it.

Q. It occupies space of the complainant company, this equipment?

Mr. Ransom: That is objected to.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Can you define just what the extent of this apparatus was?

Mr. Ransom: I object to that as immaterial.

The Master: Objection sustained.

Mr. O'Brien: Your Honor, right on this point, I submit that we cannot tell how material this matter may be until we find out from the witness the extent of it. It may be something that is only a matter of a few dollars.

The Master: I shall rule that it is immaterial, and that the cross-examination has extended to a point where I think it must be limited.

Mr. O'Brien: Is that on the ground that it is the government's property, and is their own 13310
business, and was not concerned with the—

The Master: Yes, and this broader ground that I have tried to make clear a dozen times. All of these arguments that you have made and all these technical matters that you have been developing and discussing are very interesting from the standpoint of the consumers and the city authorities, and the like, but not to me, they do not help me determine how much it costs to make gas. It changes the operating results for 1918, perhaps. It bears perhaps upon the result of the revenues for 1918, but it does not help me to determine how much it costs to make gas. 13311
That is the point of it.

Mr. O'Brien: I will develop that as I go along, your Honor.

The Master: I will not let you go along on that line.

Mr. O'Brien: I submit I don't know just what this apparatus is yet—

The Master: I don't care.

Mr. O'Brien: I submit that in this operating journal are embodied a great many entries, and they must be explained.

The Master: No, they must not. That is where you and I differ. I am not going to attempt to analyze these figures, or to base my decision upon these figures as such. I am using these books in conjunction with other and what I think will be more definite and reliable evidence as to what it costs to make gas.

Mr. O'Brien: But, your Honor, here is the point: Every gas company that has given over its service and its equipment to the United States government, so far as I know, is going back to
13313 Uncle Sam and ask Uncle Sam to pay for it in good, round, big sums. They will call it the actual cost. Whatever that amount is it belongs to the consumers.

The Master: All right.

Mr. O'Brien: It is vitally important in determining how much it actually cost the company to make gas in 1918.

The Master: Mr. O'Brien, you have just said two absolutely distinct and separate things. Proposition number 1—it may very much interest the consumers as to whether they are going to get a rebate on their gas bills for 1918.
13314 I am not interested in that at all. I don't care whether they do or whether they don't. Now, the second proposition, as to what it costs to make gas in the unusual and particular situation which presented itself in 1918 does not help me. That is my view of it and that is why I will not permit any further cross-examination.

Mr. O'Brien: Your Honor will permit me to make my record, will you not?

The Master: Yes. I think you have made it.

Mr. O'Brien: I want to have these questions raised.

The Master: Ask your questions and I will rule on them.

Mr. O'Brien: The point I am driving at is this: You have accepted here over our objection a bookkeeping exhibit which was based, it was said, on books offered in evidence and received in evidence, and to some extent upon extraneous papers, records and documents. They showed that the figure of some $198,000 for the year 1918, marking as they allege the difference between the revenues received and the operating expenses— 13316

The Master: Well, do not let that worry you. I will get the figures in my own way.

Mr. O'Brien: The question is how much this company paid for gas. That is the question in this case—where they did not make it themselves. That is one proposition.

The Master: Yes.

Mr. O'Brien: The question of how far they took this plant and used it for purposes other than producing gas for the consumers is a very important question, and it is up to us to determine in this case what that amount is.

The Master: I think you have covered it sufficiently. 13317

Mr. O'Brien: The questions I have asked the witness are designed to bring out the extent to which a plant was put at the 21st Street station by the government, what part was erected by the government itself, what part erected in the first instance by the company; what the costs were, what the basis is of adjustment, what claims the company has, and how far they have gone to establish their claims against the government.

The Master: I understand your point, Mr.

13318 Walter R. Addicks, Cross.

O'Brien. If you will put your questions I will rule on them. I have understood you perfectly. I have tried to make you understand me. All I can do is to rule on your questions as you ask them.

Mr. O'Brien: I am startled, that is all. I do not just see the ground work for the decision.

The Master: That is the trouble. If you could get my thought on it you probably would agree with me. But you do not get my thought.

Mr. O'Brien: I know we are going to differ

13319 as to how we are going to compute the cost of making gas.

The Master: Are we going to differ on the point that gas is made in a certain way?

Mr. O'Brien: I do not know about that.

The Master: Are we going to differ that certain elements or materials go into the making of it—in that way?

Mr. O'Brien: No, I do not suppose we ought to.

The Master: Then you ask your questions. We will not be far apart when we get through here.

13320 Mr. O'Brien: My idea is here are items of expense and the government has been stripping the gas; it is our purpose to strip these figures of the part belonging to the government and that belonging to the consumers, and my purpose is to find out every dollar spent on the 21st Street station so that we can determine whether it was the government's expense or the company's expense; whether they are going to take advantage of various clauses in that contract that will permit them to come back after the work is over and charge up and make certain claims.

The Master: You ask your questions and I will rule on them.

Q. Did you see the plant installed at the 21st Street station marked A-B and the other construction?

A. Yes, sir.

Q. You were personally present when it was done?

A. No, I saw the plant installed, not the plant being installed.

Q. You mean when it was installed?

A. I saw it, and I saw it at one time when they were working on the plant. But I did not see all the plant installed. 13322

Q. Coming back to the thread of my inquiry, Mr. Addicks, have you described all the equipment used by the government at the 21st Street station above the ground or under the ground?

A. Have you finished your question?

Mr. Ransom: Do you mean describe the equipment or describe its location?

Mr. O'Brien: The equipment that the government has used for war purposes, that you have spoken about. Have you described it all to us?

Mr. Ransom: He has not undertaken to.

The Master: I had hoped that Mr. Addicks would get that question and answer it and let us dispose of the situation entirely. You have told us, Mr. Addicks, that there was this construction on that triangular plot, Lot 37, I think it is known as; you have also told us about the scrubber marked as B in the other vacant plot; you have also told us about some underground pipes. You have generally told us about this apparatus and how the gas was washed. You told us that the other day. Have you told us now so far as you recall generally the apparatus and the buildings that the government had there at this plant? 13323

The Witness: I have not gone into any detail of the character of plant, but in making that statement I have covered all of the government plant. There is a multiplicity of tanks, there is a multiplicity of pumps, there is a multiplicity of stills and other apparatus which is within the confines of that government plant, as shown in the blueprint.

The Master: All right, next question.

Q. Is it your understanding that they all become the property of the complainant after the work is
13325 over?

Mr. Ransom: I object to the question.

The Master: The question is not allowed. Objection sustained.

Mr. Ransom: It is not cross-examination.

Q. Have you got a blueprint or a diagram or a record in the office of the company that shows the details of the government's plant and its connection with the plant of the complainant, or any of its affiliated companies?

A. Repeat that question.

(Question repeated by the stenographer.)

A. I cannot definitely answer that question, and
13326 for this reason, if I may give it. The Koppers Company refused to allow the company to have the detailed plans of its plant without signing an agreement with respect to not divulging to any person, by any person, the details of that plant. The company declining to do that, never received from the Koppers Company a set of plans of that toluol plant. They were, however, on file at the government office on Broadway, and we had access to it. Now, whether the government ever loaned us those plans or not I do not remember.

Q. Was this refusal on the part of the Koppers Company a written refusal?

The Master: The question is not allowed. Objection sustained.

Mr. O'Brien: Was it in reply to a written request that you have such a plan?

Mr. Ransom: Objected to on the ground already covered.

The Master: Objection sustained.

Q. Did you yourself demand it, Mr. Addicks?

Mr. Ransom: Objection.

The Master: Objection sustained.

Q. Where is this office on Broadway that you spoke of? 13328

Mr. Ransom: Same objection.

The Master: Objection sustained.

Q. Was the Koppers Company the originator of this method of stripping the gas?

Mr. Ransom: Objection on the grounds already indicated.

The Master: Objection sustained.

Q. Did you yourself see the plans that were on file at the Broadway office you speak of?

Mr. Ransom: Objection.

The Master: Objection sustained. I am not interested.

Q. Did you or any of the men connected with the company, do any of the construction work in connection with this 21st Street plant? 13329

Mr. Ransom: Same objection.

The Master: Objection sustained as fully covered.

Q. Who were the men that worked on that plant?

Mr. Ransom: Same objection.

The Master: Objection sustained.

Q. From the date when the gas was turned on, you recall the date of that order, Mr. Addicks?

A. I do.

Q. What was the date?

The Master: It is in the record. Next question. It is April and July.

Q. Mr. Addicks, from that time on to the present time, to what date—

The Master: November 23rd or 25th.

Mr. Ransom: 25th in one case and 8th in the other?

The Master: No, they both ran to the 25th.

The Witness: I think the 8th and the 23rd. November 8th at 99th Street and I think November 23rd at the other. The 23rd, I think, the
13331 washing stopped, the 23rd of November.

Q. From April, or the date that it was turned on, until such time as it was shut off at the 21st Street station—

The Master: It was not turned on in April at the 21st Street station; I think it was July.

The Witness: No, April 14th.

The Master: July at 99th Street?

The Witness: July in the 99th Street plant.

Q. From April 14th on to the time it was shut down in November, was all the gas which was produced at the 21st Street station, turned in through
13332 the government plant?

Mr. Ransom: Objected to as already covered.

The Master: Sustained. The subject has been covered. It was not all turned in. There was some of it by-passed, as you can very well recall.

Q. Have you got a record, and are you able to state the amount that was by-passed?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. What steps were taken to measure the amount that was by-passed?

Mr. Ransom: Same objection.

The Master: Objection sustained.

Q. How was it measured?

Mr. Ransom: Objection.

The Master: Objection sustained.

Q. Have you the records on file in the office, or have you brought them with you, that show that amount?

Mr. Ransom: Same objection.

The Master: Objection sustained.

Q. You spoke about taking up the question of the claims that might be made against the government 13334
by the Consolidated Gas Company for what was lost in the gas which the government used, that you took that up with Major Burns, and that you discussed the theories of certain theorists. You were asked who they were, and that question was lost in the maze of questions that followed. Will you state who they were, the theorists that you had in mind, and the theories?

Mr. Ransom: I object to the question as covered and as immaterial.

The Master: No, I think Mr. O'Brien is right, that the witness did not answer that directly. There was a long statement by Mr. 13335
Addicks in reference to it. The only question in my mind is whether it is at all material, and whether I want to permit the cross-examination to extend to include that question. I will sustain the objection.

Mr. O'Brien: Well, I submit here, your Honor, that if I am going to be foreclosed from cross-examining the witness because Mr. Chambers may have bordered on certain matters, that a great deal of matter I desire to bring out will not be brought out.

The Master: I shall have to use my discretion at this time. Objection sustained.

Mr. O'Brien: I will have to ask your Honor, then, to reverse the order of examination of witnesses, if I may.

The Master: I won't do it.

Mr. O'Brien: If Mr. Chambers' questioning is going to foreclose me from asking the witness questions, where naturally I take up the thread of cross-examination, I cannot stick in here an isolated question. I have got to take
13337 up the thread of cross-examination and necessarily it will lap over on to something that Mr. Chambers may have asked.

The Master: You won't in the future be damaged any more than you have in the past. Whenever you have a matter that has not been fully covered, or I think it might be, I will let you ask him. I won't change the order of examination, and I will sustain this objection.

Mr. O'Brien: I take an exception to your Honor's ruling on my request.

The Master: The exceptions are recorded as to all of my rulings. It is not necessary to take
13338 an exception.

Q. In what part of the plant at 99th Street was the government's equipment located?

Mr. Ransom: I object to the question.

The Master: I am going to let the witness state. I let him state where they were on the 21st Street plant, and I will let him state where they were on 99th Street.

Mr. Ransom: It was not there.

The Master: I did not ask you, nor did Mr. O'Brien ask you. He is asking the witness where on the 99th Street plant.

Mr. Ransom: I object to it as already having been covered.

Mr. O'Brien: I don't want Judge Ransom's answers put in this record.

The Master: Aren't you simply repeating what I have already said to Mr. Ransom? Mr. O'Brien's question, Mr. Addicks, is, where in the 99th Street plant was the government plant erected?

The Witness: There was no government toluol plant at 99th Street.

The Master: Next question. 13340

Q. Did the complainant company instal the equipment that connected the 99th Street plant with the Standard Company's plant?

A. No.

Q. Was that all put in by the government at government expense?

A. No.

Q. By whom?

A. It was an existing main which they rented from the Standard Company.

Q. The government rented from the Standard Company?

A. Yes. 13341

Q. Had it been previously used and up to the time that the government took it over, by the complainant company?

A. It had; and the arrangement was that it would be put back into its necessary use as soon as it was necessary to use it.

Q. And how did you take care of the gas that was previously sent through that main?

A. There was a second main in the street that was utilized for that and this main which was rented to the government and which it was proposed to put

back into its original service as soon as required, and the washing of gas from the 99th Street plant would have to cease during such period.

Q. How did you take care of the washing of gas for the 99th Street station?

A. The government took care of it in its own plant.

Q. So that the government in its own plant not only washed the gas for the complainant company, but also did their own stripping of the gas afterwards.

13343 Mr. Ransom: I object to the question.

The Master: I will allow it.

Mr. Ransom: I object to it as indefinite.

The Master: I know it is, but I am going to allow it.

A. The gas passed through this main to the plant of the government located a number of blocks north, and was introduced into the government's toluol plant at that point.

Q. The government did not do any washing for the Consolidated Gas Company of their gas, did they?

A. No, sir, they did not.

13344 Q. Well, now, let us get this right. Was it in June or July that they began to—when they turned on the gas at 99th Street?

A. July 30th, as I recall.

Q. What did you just say about June?

The Master: I did not hear the witness say anything about June.

Q. Had previously the Standard Company washed all the gas for the 99th Street station?

A. They never washed gas for the 99th Street station.

Q. Then it was only during the time that the gov-

ernment came in that the scrubbing of gas produced by the complainant company at 99th Street was done at the Standard Company's plant?

A. It was not done at the Standard Company's plant; it was done in the government plant located on a part of the Standard Company's property.

Q. Where is that location?

A. I think about 115th Street or thereabouts.

Q. What avenue?

A. I do not recall the avenue.

The Master: Near the East River?

The Witness: About two blocks from the 13346
East River, two blocks west of the East River, I should say, or perhaps only one long block.

Q. Was there any scrubbing process there—one washing process or two?

A. One.

Q. And that was the work of the government in stripping the gas?

A. That was the government plant which was erected by the government on the property of the Standard Gas Light Company, and the government there washed the gas of both the Standard Gas Light Company and also from the 99th Street plant of the Consolidated Gas Company. 13347

Q. Was the gas of the Standard Company and the gas of the complainant company commingled before the washing process began?

A. Yes.

Q. How were the measurements taken?

The Master: Objection sustained. I have had enough of it.

Q. How did you regulate the measurement of the gas of the Standard Company and the 99th Street station so that you would know whether one or the other was being used, and the quantities being used?

The Master: Objection sustained.

13348 Walter R. Addicks, Cross.

Mr. O'Brien: Exception.

Q. Did you have any method of making such a computation?

Mr. Ransom: Objected to.

The Master: Same ruling.

Q. You have a record of the amount of gas that was actually stripped by the United States government, Mr. Addicks?

The Master: Same ruling.

Q. How were you able to determine that amount without knowing how much was turned in to the
13349 government's hands, and how much was received back from them?

Mr. Ransom: Same objection.

The Master: Same ruling.

Q. Have you got such records that will give us the figures as claimed by you?

The Master: Same ruling.

Q. For the amount of gas turned in to the government's hands by the company before the stripping, and the amount of gas received from them after the stripping?

The Master: Same ruling.

Q. In the 21st Street station, after the govern-
13350 ment has stripped the gas, is it turned back through any meter?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Or is it sent out in the mains and the amount thereof determined only in the way in which you say—in which it has been testified in this case the transferred gas was measured?

Mr. Ransom: Same objection.

The Master: Same ruling.

Mr. O'Brien: Well, I submit, your Honor, that it is important for us to know.

The Master: If I thought it was I would let it in, but I have ruled it out.

Mr. O'Brien: I don't know just how that thing was regulated at that time. I do not recall any testimony of the witness on that subject as to how these measurements were taken.

The Master: Analyze your record at your convenience, and if there is any point about it later on, I may let it in again.

Mr. O'Brien: Are you making your ruling on the ground this is already covered?

The Master: I am making my ruling on a 13352
number of theories and the principal one I do not think it will help me to determine how much it costs to make gas.

Mr. O'Brien: Is your Honor's ruling to any extent on the ground that this was a patriotic affair, that this work was being done in the stress of war for the government and that the expense should be borne by the consumer?

The Master: No. The furthest I would go on any question of patriotic motives or patriotic interest or obligation is that the consumers cannot complain if the quality of the gas was less than twenty-two candle power during the time 13353
that the government was extracting the light oil.

Mr. O'Brien: You mean that they cannot complain that they haven't any right to require compensation from the company—from either the company or the government?

The Master: No, I am limiting my ruling on that entirely to the defense's suggestion, that the gas was not twenty-two candle power. I say that the company was relieved of that statutory obligation while the Federal authorities had taken possession of the gas.

Q. Did I understand you to say, Mr. Addicks, that when the benzol was added to the gas after it was stripped that you could get twenty-two candles that would be the same twenty-two candles that you had prior to the gas going through the process that the government had established there?

The Master: No, you did not understand that at all, and you haven't any right to so understand it, and the question won't be allowed. It never was twenty-two candle power after the light oils were extracted.

13355 Mr. O'Brien: Exception.

Q. Did you set up the proposition as a theory of yours, or belief?

The Master: Objection sustained.

Q. Did you advance the belief or the theory that the elements that were stripped by the government from the gas could be supplied to the gas again, but the gas could not be entirely made whole?

The Master: Are you through with that question now?

Mr. O'Brien: Yes.

Mr. Ransom: Objection.

The Master: The question is not allowed. Objection sustained.

13356 Q. Will you state the basis of such a theory, if you hold it still?

Mr. Ransom: Objection.

The Master: Objection sustained.

Q. Mr. Addicks, have you ever seen, do you recall, the candle power showing and tests made by the city during the year 1918?

Mr. Ransom: I object to that as incompetent and immaterial. That is not the method of proving those tests.

The Master: I will see what develops, I will allow that.

A. I have seen some reports of candle powers which purported to be tests made by the city which came to the company on postal cards which I never saw, and the tests of which I know nothing about.

The Master: Those are the same postal cards you told us about last week, are they not?

The Witness: Yes, sir.

Q. Do you know where the city testing stations are located?

The Master: Objection sustained. That has been covered.

Q. Have you ever, or has the complainant company 13358
ever made any written protest or objections to the tests made by the City of New York of the complainant's gas during the year 1918, as being incorrect or unreliable?

Mr. Ransom: Objected to as incompetent and immaterial.

The Master: Objection sustained.

Q. Did not the company fail to comply with the 22 candle power standard prior to the time of the turning on of the gas for the use of the federal government in the plants at 21st Street and 99th Street?

Mr. Ransom: Objected to as incompetent and immaterial and not proper cross-examination. 13359

The Master: I will allow it.

Mr. O'Brien: Exception.

The Master: I would like to know whether this witness takes the position that they complied with the law, or whether he admits they did not comply with the law, prior to the government work.

A. I think that the company complied with the law, insofar as it was possible physically to comply during the—

Mr. O'Brien: I move to strike out the answer as not responsive.

The Master: I think I will strike it out. The question strikes me, Mr. Addicks, as a perfectly simple one. It is this: Representing your company, do you admit that prior to the toluol work of the government, your company supplied gas of less than 22 candle power?

The Witness: No, but I do state that the condition of affairs in New York City during the subway construction, where the mains were above ground, affected the candle power abnormally.

The Master: In other words, I understand
13361 your statement to be that where the mains were above ground temporarily, due to subway construction, it may be that the candle power was under 22?

A. Having passed through those elevated pipes and gutter pipes which were installed by the Public Service Commission of the first district.

Q. Are those the only cases that you concede where the gas was below the required candle power?

A. They are the only cases in which I recall that it was below the candle power for any material time. Of course, it is not possible, occasionally, due to weather conditions and accidents, not to fall below
13362 candle power.

Q. I read to you from page 243—

The Master: Wait a minute before you read that.

Q. Of case 2276—

The Master: Let me see it before you read it—read it.

Q. Before the Public Service Commission in the matter entitled "In the matter of the hearing on the motion of the Commission as to the quality and pressure of gas manufactured, distributed or sold by, and interruptions in the service of the gas corporations within the first district."

The Master: I am not going to allow you to put into the record here a finding by the Public Service Commission.

Mr. O'Brien: Oh, no, this is the sworn testimony of the witness.

The Master: Are you about to cross-examine the witness on a statement made by him?

Mr. O'Brien: Yes.

The Master: I will not allow it. You are cross-examining your own witness.

Mr. O'Brien: I want to ask him whether that statement is correct. You can call it cross-examination— 13364

Mr. Ransom: Do you want to contradict your own witness?

The Master: You may complete your question. You wanted to read something from that and ask him something about it. Read what you want to include in your question.

Q. Is this a correct statement as to the pressures of gas, pressures and tests made by the Public Service Commission, do you agree with that answer now:

"Q. But you have differed from the records of the Commission.

"A. I did not differ, no? 13365

"Q. Have you not?

"A. No.

"Q. Have you not disputed the tests here?

"A. No, not of pressure."

The Master: Objection sustained.

Q. Do you concur now with this statement, Mr. Addicks, which appears in the same case No. *2276*, where the question and answer are set forth as follows:

Mr. Ransom: I object to this line of inquiry

The Master: I shall sustain the objection and

will not permit counsel to read from that record any further.

Mr. O'Brien: Your Honor, I have before me a record of a hearing held by the Public Service Commission on March 13, 1918, where the witness was under oath and giving testimony as to the quality and pressure of gas manufactured, distributed and sold, and interruptions in the service of the complainant company. He was quizzed there, as to a variety of matters in connection with the condition of gas during the winter that
13367 had just been passed through, and he expressed himself there both with regard to the tests, and with regard to various other matters, such as complaints made on account of the quality of gas. I think there were, all told, not on that one ground, but on various ground, some 275,000 complaints.

The Master: We have a great complaining populace, who do nothing but complain, and don't otherwise take care of their own interests. They complain about things, but don't do anything more. Objection sustained. I am not going to let you read into this record the testimony of this witness in another proceeding along a line
13368 which is not proper cross-examination here.

Mr. O'Brien: I was about to outline for the purposes of the record, if you are going to rule it out, that the questions and the line of inquiry there ran to the quality of the gas furnished by the complainant company during the period of that investigation; that the witness expressed himself there with regard to the tests; that now he is on the stand and I have a right in dealing with this question of the qualities of gas, particularly with the proposition that he is advancing or counsel is advancing, that if the quality fell down in

13369

the year 1918, it was due to the operations of the government, it was due to the stripping of the gas by the government for the production of toluol to be used in the war. Now, this goes to the question of whether he is right on that fact, that it began and ended with the operations of the government; it goes to the question of the reliability of the tests of the city, to the statement made by the witness now as to the receipt of these tests, and as to the questions generally of the quality of gas that was furnished during the whole of the year 1918.

13370

The Master: Objection sustained.

Mr. O'Brien: I intended to read, if I had been permitted by his Honor, from various parts of this record of the Public Service Commission in that case, No. 2276, particularly the minutes of the hearing of March 13, 1918. I ask counsel if he disputes that record?

The Master: No, he does not dispute it.

Mr. O'Brien: The minutes which were taken while he was counsel for the Public Service Commission and not representing the gas company, and at a time when he was present in court and had conducted this investigation for the Public Service Commission?

13371

The Master: I do not care anything about that. I am assuming that you are reading from an accurate copy of the minutes.

Mr. Ransom: That is not true.

The Master: I will assume it is true. Objection sustained.

Mr. O'Brien: Is any part of it incorrect, Judge Ransom?

Mr. Ransom: I have found, as no doubt you found, that the minutes as printed at that time

very commonly contained typographical and stenographic errors, just as the present record does.

The Master: But the substance is in those minutes. The substance, I take it, of the testimony taken is accurately set forth, or substantially accurately set forth, and I am assuming that is a correct copy and does substantially set it forth, but I will not allow it.

Mr. O'Brien: I now, as a matter of record, call your Honor's attention to the fact that William L. Ransom, the counsel for the complainant company, was counsel in this matter involving to an extent the same issues as are involved in this case—was counsel for the Public Service Commission at that time.

13373

The Master: I abide by my ruling.

Mr. O'Brien: I have not called attention to the various points I was going to call the witness's attention to. I assume your ruling would be the same?

The Master: The ruling will be the same.

Mr. O'Brien: And I note an exception to your Honor's ruling.

13374

The Master: It will be stated on the record that the Master is of opinion, and so rules, that the witness was not asked questions in respect to, nor was he called as a witness to prove, the quality of the gas. He was called to prove the government relation to the toluol situation. He admitted under cross-examination that the extraction of the light oils affected the quality of the gas. On cross-examination by Mr. O'Brien he was interrogated with reference to tests, and by Mr. Chambers. I am not going to permit counsel now to cross-examine this witness about matters

brought out on the cross. The ruling therefore stands. We will probably have a good deal of the quality of the gas when we get other witnesses, but this witness is not going to be interrogated further upon it.

Mr. O'Brien: But he has stated here, your Honor, that he negotiated contracts for oil, that he entered into, if I may say it, particularly a contract in the latter part of 1918, where he has insisted that they were compelled to go to the Standard Oil Company of New Jersey in order to get the same quality of oil that they had got- 13376
ten before, where he sets up that the contracts require that they get certain kinds of gas oil and certain qualities of gas oil, and that that was one of the reasons why they did not go to other companies.

Now we have a situation that must be explained. We have by reason of the fact that they put those contracts in evidence, that the examination was as to the reasons for incorporating certain language in it, the reasons for going to the Standard Oil, involving the quality of the gas that was produced during 1918. They are directly connected, and I respectfully submit that 13377
a cross-examination is in order as to what this witness knows to be the fact, if he knows, as to the quality of the gas produced. Because your Honor can plainly see that on the one hand he asserts that he does not know what the quality was, that he did not keep track of it, that he made no comment, made no complaint to the Standard Oil Company; that he did not, on the other hand, make a complaint to the city that their tests were incorrect. You can see, your Honor, how far he was qualified to make an-

other contract for gas oil on behalf of the complainant company in the latter part of 1918, which must be shouldered by the consumers in this case.

The Master: You have presented that argument before, and I still stand by my ruling.

Mr. O'Brien: I will ask that this record of March 13, 1918, in case No. 2276, be marked for identification.

Marked Defendants' Exhibit KK for identification.

13379 By Mr. O'Brien:

Q. Mr. Addicks, do you recall reading the minutes of this particular hearing that day?

Mr. Ransom: I object.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Have you a copy of the minutes of this hearing, in which you have corrected the minutes of that meeting, and which will show your testimony in corrected form?

Mr. Ransom: I object.

The Master: Objection sustained.

Mr. O'Brien: Exception.

13380 Q. Will you produce it at the next hearing, so that you may be catechized in regard to it?

Mr. Ransom: I object.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. What employees of the 99th Street station gave any of their time during the year 1918 to the work of the United States government in the stripping of gas produced at that station?

Mr. Ransom: I think that has all been covered.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Have you in preparing the Exhibit 337, being the amount of the moneys received from the United States government in connection with the 99th Street and 21st Street stations, prepared a statement of the work done and services rendered by any of the employees of the complainant company?

Mr. Ransom: I think that has been covered.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Did you have it before you when you made up this exhibit?

Mr. Ransom: I object. 13382

The Master: Same ruling.

Mr. O'Brien: Exception. I call for the exhibit.

Mr. Ransom: You have copies of it. I think we have other copies here. That Exhibit is 344, that Mr. O'Brien referred to as 337.

The Master: And not 337?

Mr. Ransom: Not 337.

Q. Mr. Addicks, in preparing this Exhibit 344 did you take any items of expense from the journal?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Did a bookkeeper of the company give you the 13383
figures that you used?

Mr. Ransom: Objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Did a bookkeeper of the company give you the bases of the figures which you used, and if so, to what extent?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. What official in the employ of the complainant company had direct charge of the expenses that were

involved in the dealings with the government in regard to stripping of the gas?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Is he still with the company?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. I call your attention to various items in the Journal and ask you whether there are any of them that you took out of the Journal to make up the figures which you have on Exhibit 344?

13385 Mr. Ransom: I object.

The Master: Same ruling. The Master rules that Mr. Chambers' examination was as thorough and complete as he will allow on this branch of the case.

Mr. O'Brien: Exception.

Q. I call your attention to item numbered 997 in the Operating Journal, page 364, entitled "General Office Salaries, Chemical Department to Operating Light Oil Recovery Plant, Labor, $1,512.50." I ask you if that is incorporated in the figures that you set forth in Exhibit 344?

Mr. Ransom: I object.

13386 The Master: Same ruling.

Mr. O'Brien: Exception.

Q. I call your attention to a similar item on page 365, "G. O. Salaries Engineering Department, $13.20," being item No. 998, and ask you the same question?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. The same as to item No. 999, the same as to item 1000, being in an amount of $37.50?

The Master: Same ruling.

Mr. O'Brien: Same ruling.

Q. I ask you, Mr. Addicks, again whether this Exhibit 344 prepared by you is a summary in part or in whole of all the items that were set forth in the Journal, the Operating Journal for 1918, covering the operating light oil recovery plant account?

Mr. Ransom: I object.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Mr. Addicks, did you superintend or represent the company in connection with the installation of the government's plant at Astoria?

Mr. Ransom: Same objection. 13388

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Did you make the contract for the Astoria Company with the United States government, and arrange its details?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. What is the amount which the Astoria Company claims against the United States government for material and services rendered in connection with the stripping of the gas for the year 1918?

Mr. Ransom: Same objection.

The Master: The same ruling. 13389

Mr. O'Brien: Exception. Your Honor intimated at the last session that you did not think you could go into the question of how far the affiliated companies were involved in this matter of the production of toluol. I respectfully submit the witness having been produced as the representative of the company, who would testify on the question of the dealings of the complainant company with the toluol situation, and he having testified already that they made the arrangements for all of the companies, that he

13390 Walter R. Addicks, Cross.

did, on those grounds and on the further ground that we have an item over $6,700,000 in the Teele exhibit for transferred gas, that the whole question as to how far the interests of the consumers were involved, the price of gas was affected by the production of toluol or such ingredients as the government may have taken out of the gas produced by the affiliated companies, is in this case.

Further it appears that there is a claim not so unliquidated, not so vague or in futuro as the
13391 complainant claims, against the United States government, for what was furnished the government in connection with the extracting of toluol, but there is set forth a positive claim here of over $1,500,000. If this company, the Astoria Company, are charging up to the complainant what they claim is the actual cost of making the gas plus a percentage upon what they say is the capital invested there, and they have used that plant and they have used the oil that went in there, and they have used the coal that went in there to furnish these things to the government, for which they are about to file a claim in
13392 a certain amount, it has got to come out in this case and we want to know what it is, because it vitally affects the price of making the gas. That is a vital amount, and I respectfully submit it is proper cross-examination of the witness here, he having testified, as he has, about this arrangement with the government in behalf of the affiliated companies; and the item of cost of gas bought by the company, the complainant company, being in this case, it is perfectly proper cross-examination to ask the witness as to the amounts of these claims, what they are based

on, how far they have been pressed, and what their claims may be that have not as yet been brought to the surface, that will be filed against Uncle Sam for services rendered and materials furnished during the year 1918 and subsequently.

The Master: I will not disturb my ruling at this time.

Mr. O'Brien: Would it be taking too much liberty with the Court to ask just what basis that ruling is resting on?

The Master: Why, upon the ground already 13394
indicated, that I am now going to try to find out what it cost the Consolidated Gas Company to make and distribute its gas. When I get through with that, if the element of the price paid to the other companies is concerned, I will handle that as it develops. It is not now here. I have not got the question as to what other companies have charged before me now.

Mr. O'Brien: Your Honor, it is the orderly line of proof.

The Master: I do not think it is.

Mr. O'Brien: You have an item in here of 13395
$6,675,000 for gas transferred. On the testimony of the witnesses that gas has come from several companies; on the testimony of witnesses in this case all of the output of the Astoria plant is taken over by the complainant company; on the testimony of witnesses all of the stock of the Astoria Company is owned by the complainant company; on the testimony of witnesses the complainant pays to the Astoria Company for gas furnished what they call the actual cost of making gas plus seven per cent on what they call the capital invested.

The Master: I do not believe any of that yet.

Mr. O'Brien: What?

The Master: We have not any proof on that yet.

Mr. O'Brien: Then your Honor does not consider the Teele exhibit as proof?

The Master: Not of that fact, no. The Teele exhibit is simply a tabulation of what appears on those books, but that does not necessarily prove to my mind that they got that much gas or paid for it. Not yet. Or that that was
13397 the proper price, or that it was cost plus ten or seven or anything like that.

Mr. O'Brien: I am asking this witness—unless we are going to have this shuttlecock method of trying a case, trotting the witness out for six furlongs and ending the investigation there, why, we will never get anywhere.

The Master: Yes, you will. We are going to find out what it costs to make gas before we get through.

Mr. O'Brien: This is going to be directly involved, your Honor.

The Master: No.

13398 Mr. O'Brien: I submit there is an item of $1,500,000 which may swing this case one way or the other.

The Master: Mr. O'Brien, there is no use of your arguing it with me now. I will not allow it.

Mr. O'Brien: Then your Honor's ruling is there is not enough in the case at this time, in the record in this case, to warrant your allowing this matter to be taken up?

The Master: That is right.

Mr. O'Brien: That it might become a question at issue later on?

The Master: Right.

Mr. O'Brien: I note an exception to your Honor's ruling, and I suggest—the Lord protect Mr. Addicks and give him long life and health, but he is here today and he may not be here tomorrow.

The Master: That is a chance we will have to take.

Mr. O'Brien: Should not the complainant company take that chance?

The Master: It probably will. If they need Mr. Addicks to prove some more facts here 13400
and he is not at hand to prove them, that is a chance they have to take.

Mr. O'Brien: I submit, your Honor, cross-examination of the witness here may have a serious effect on the testimony already given.

The Master: No, do not argue it.

Mr. O'Brien: We may find Mr. Addicks has been taking up his time on more important matters for the complainant company, and this is only a little matter that he is not thoroughly acquainted with, but he had to present it because he was on the subject before; that after all what he has given us is entirely unreliable 13401
because he did not have time sufficient to acquaint himself with the facts upon which the figures and his testimony are based.

The Master: Mr. O'Brien, there are just two points about Mr. Addicks' testimony, which has carried on for days now, that remain in my mind. One is that he buys oil for this company, the way he buys it, the contracts he has made, the method pursued in making those contracts and fixing those prices; second, that there was a toluol plant there under government control, as a

13402 Walter R. Addicks, Cross.

result of which certain of the light oils were taken out, and the quality of gas over that period of time was below twenty-two candle power. That is all there is for the whole week of direct and cross-examination.

Q. Mr. Addicks, will you tell me what the basis is for the $150 a day item?

Mr. Ransom: Objected to.

The Master: Objection sustained. That has been covered.

Mr. O'Brien: I know it was touched on, but
13403 we did not get anything definite, and the witness I thought was going to post himself and come back.

The Master: Well, we have gotten all that I care to hear on it. I will not take any more of it.

Mr. O'Brien: I ask counsel for the complainant to produce the cost pamphlet that accompanied the contracts.

Mr. Ransom: I don't know of any cost pamphlet that accompanied the contract. The contract was based on a net cost, it defined cost.

The Master: Don't let us have any discus-
13404 sion about it. Have you any such pamphlet that you know of that Mr. O'Brien calls for?

Mr. Ransom: Not in connection with the contracts: In the order under the National Defense Act of December 21, 1917, there was a reference in that to some accompanying cost pamphlet. Such information as I have is that that was the only relationship to a cost pamphlet that there was. I have a definition of cost pertaining to contracts, form 2941 of the United States War Department but it is not my understanding that that has anything to do or is in any

way part of the contracts subsequently entered into.

The Master: Suppose you show that to Mr. O'Brien and see if that is what he wants?

Mr. O'Brien: This may be the one, your Honor, I don't know.

The Master: I am sure I don't.

Mr. O'Brien: All I want is everything that goes with these contracts that are in evidence.

Mr. Ransom: There isn't anything that goes with the contract that I know of.

Mr. O'Brien: This right on its face bears 13406
on every contract with the United States. It goes into the question of buildings, questions of overhead, and a thousand and one other details on which this company might build a claim for five million dollars against Uncle Sam.

The Master: Judge Ransom has handed you a pamphlet entitled, "Definition of cost pertaining to contracts, June 27, 1917." You have given him, Judge Ransom, as I understand it, what he has called for.

Mr. Ransom: But not in connection with the contract, in connection with the order of December 21, 1917, which refers to a cost pamphlet as 13407
enclosed.

Mr. O'Brien: I will ask that that be marked for identification.

The Master: Have it marked.

Pamphlet marked Defendants' Exhibit LL for identification.

Q. I call your attention, Mr. Addicks, to the following provision in the contract: "Provided further, however, that if it be finally determined by any tribunal or court of competent jurisdiction in any proceeding to fix the just and reasonable rate to be paid

for gas, that any of the enriching oil set forth in the above schedule should be disallowed in fixing such rate because such oil so disallowed is absorbed by the increased facilities, then the United States shall compensate the contractor for the cost of such enriching oils so disallowed as though it were additional enriching oil." I ask you whether or not there has been prepared, or whether there will be prepared data as a basis for a claim against the United States government under the terms of that provision?

The Master: Objection sustained upon the
13409 ground that the subject has been fully covered, at any rate, adequately covered.

Mr. O'Brien: Exception.

Q. I call your attention further to this provision: "The cost of the net loss in volume of gas because of the operation of the increased facilities at the rate of forty cents per cubic foot of gas for each gallon of toluol, benzol and solvent naphtha recovered by the operation of the increased facilities and not restored to the gas at the outlet of the increased facilities." I ask you whether or not you have computed the amount that is due the complainant company by reason of the provisions in that section of the con-
13410 tract?

The Master: Same ruling.

Q. I ask you whether or not it is included in Exhibit 344?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. I ask you whether or not the attorneys for the complainant have been asked for advice with respect to what claims, if any, on facts submitted to the attorneys or collated by the company, the company might file a claim against the United States.

Mr. Ransom: I object to that, also as to privilege.

The Master: Objection sustained.

Mr. O'Brien: Exception.

The Master: Mr. Ransom, will you tell me where in the world you ever found a privilege in a client? The privilege is the privilege of the attorney. I sustained the objection upon other grounds, but I do not want to be put on record as sustaining it upon the ground that this witness could not tell what he told his attorney, or what advice he asked. I do not want the record to indicate that I agreed with the position thus taken. 13412

Mr. Ransom: Counsel for the complainant I do not think has any reason for going into that, but I am under the impression that there is such a privilege.

The Master: No, the privilege is that of the attorney not to disclose.

Mr. Ransom: And there is a privilege of the client, unless I am greatly in error.

The Master: I never saw it anywhere. A lawyer, like a doctor, and now I think it is extended to a nurse, and perhaps other professional classes, is protected against disclosing the communications of his clients, but the client may state it. 13413

Q. I ask you now, Mr. Addicks, why the company has failed up to the present time to file any claim on these grounds?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Mr. Addicks, are you aware of the fact that the Astoria Company has already charged up as a credit upon its books some $1,500,000, a claim against the United States government?

Mr. Ransom: Objected to.

13414 Walter R. Addicks, Cross.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Is there in any of the books of the complainant company, or any of the records of the complainant company as yet undisclosed in this case, or in the books received in evidence in this case, the basis for any claim against the United States government for labor or services, renting facilities, or any other consideration against the United States government?

The Master: Same ruling.

Mr. O'Brien: Exception.

13415 Q. Why has the complainant company allowed these claims against the United States government to go unliquidated or to pass without the filing of a claim up to the present time?

Mr. Ransom: I object to the question. There is no evidence that there is any claim.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Mr. O'Brien: I am assuming that he has answered that they have a claim and that they haven't got it in shape yet.

Mr. Ransom: This company does not make any claim against the United States govern-

13416 ment—

Mr. Chambers: He says so.

Mr. Ransom: He has not said that.

Mr. Chambers: It can be spelled out from what he said.

By Mr. O'Brien:

Q. Are we to assume from what counsel has stated to be the testimony of the witness, that no toluol was, in fact, produced at the plants of the complainant company?

The Master: Same ruling.

Mr. O'Brien: I may state, your Honor, as an

explanation of these questions, that the claim has been made in Congress that fifteen million dollars was lost on the futile attempt to produce toluol in gas companies in this country, and I submit that this company, having had to do with that fine mess, that we ought to know how far the consumers have suffered, and how far the price of gas to them, in the shape of operating expenses for the year 1918, has been involved?

Mr. Ransom: But this company produced from its gas one and one-half millions—

The Master: There isn't anything here for me 13418
to rule on. I have ruled out the question, and what Mr. O'Brien has said does not change my mind. Lots of claims are made in Congress that are absolutely unfounded and when they talk about $15,000,000, without knowing anything about it, they talk like a lot of crazy men. When you talk of the four billion cubic feet and chop it down 20%, so far as the Gas Company is concerned, it makes $800,000. Where are you going to get fifteen million dollars?

Mr. Ransom: He did not say with respect to this company.

Mr. O'Brien: I am talking about the whole 13419
country. I say this was a disgrace. I don't know how far this complainant was involved. I am going to ask you whether you know Mr. Falk. Do you know Mr. Falk connected with the War Department?

The Master: I won't let the witness say whether he does or not.

Q. Did you have any dealings in your negotiating of contracts with the United States government, the contracts that have been offered in evidence, did you have any communications or dealings with anybody beside Major Burns?

The Master: The objection is sustained. The Master states upon the record that he will not permit any inquiry with reference to any investigation made by Congress, or as to the advisability or inadvisability of the manufacture of toluol by the government, or whether it was well handled or bady handled, or anything of that sort, and I hope counsel won't ask any more questions, because it is a waste of time.

Mr. O'Brien: May I ask one or two more questions that will take a minute, and pass on,
13421 leaving the record as your Honor makes it?

The Master: All right.

Q. Do you know Mr. Falk and did you have any dealings with him in connection with the toluol contracts, Mr. Falk, representing the War Department?

Mr. Ransom: Objection.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Did you know Mr. McBride?

Mr. Ransom: Objection.

The Master: Objection sustained.

Mr. O'Brien: Exception.

The Master: We will be trying cases of man-
13422 slaughter here the first thing you know, and not questions as to how much it costs to make gas.

Mr. O'Brien: Your Honor, right here I find that the witness has already testified—

The Master: I know he has. I know what he said about Mr. Falk.

Mr. O'Brien: That Mr. Falk was in charge—

The Master: One minute now. I know what he said about Mr. Falk. I know what he said about Mr. McBride, and those questions were allowed at a time when I did not know what counsel was driving at. The questions have been an-

swered, and that is all the more reason why I won't let them be answered again, and I make the statement I do, because I had in mind that he had already said what he did about Mr. Falk and Mr. McBride.

Mr. O'Brien: Well, I ask your Honor to have marked for identification the serial six No. 22 of the hearings before Special Committee No. 5, Ordnance, of the Select Committee on Expenditures in the War Department, House of Representatives, 66th Congress.

The Master: Yes, I will permit you to mark it 13424
for identification, Mr. O'Brien, in the same way that I would permit you to mark your coat for identification, if you wanted to, but I say to you now that it is a perfectly useless procedure, that you will never get it in evidence, or any part of it in this record.

The paper was marked Defendants' Exhibit MM for identification.

Mr. O'Brien: I submit, your Honor, that this whole question of these contracts, their good faith may be attacked. It is all right to talk about helping to do everything to win the war—

The Master: I won't permit, in the light of the 13425
speeches made by Mr. O'Brien about the American flag and Uncle Sam, to have any attack made upon the good faith of our dear old Uncle Sam in this case.

Mr. O'Brien: There is no attack on Uncle Sam, your Honor. I have here testimony under oath of this same Mr. Falk.

The Master: I am not going to try that issue here. I won't touch it. I won't have it.

Mr. O'Brien: I except to your Honor's ruling in that regard.

13426 Walter R. Addicks, Cross.

Q. Does this amount, Mr. Addicks, set forth on Exhibit 344, represent all of the claims against the government of the complainant company for any and all material and services rendered and considerations given to the United States government in connection with the stripping of gas for the production of toluol?

Mr. Ransom: I object to that.

The Master: Objection sustained.

Q. As a question of chemical science, Mr. Addicks could you produce here—may not more toluol be produced from coal gas than water gas?

13427 Mr. Ransom: Same objection.

The Master: Objection sustained. I am not going to try that issue either.

Q. Did the 21st Street and 99th Street plants produce about the same amount of gas as Astoria in the year 1918?

Mr. Ransom: Same objection.

The Master: Objection sustained.

Q. If the 99th Street and the 21st Street stations produced the same amount of gas or more than was produced in the Astoria plant in 1918, why has the complainant company not prepared a claim for more than $1,500,000 against the government, that being the amount of the claim of the Astoria Company?

13428 Mr. Ransom: Same objection.

The Master: Objection sustained for a variety of reasons, including the one that I do not know anything about any claim by the Astoria Company, whether it is more or less than $1,500,000.

Mr. O'Brien: That is a matter of public record now. Counsel, I assume, is not going to controvert that fact, because it is a sworn statement of one of the affiliated companies in the Public Service Commission.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Mr. Addicks, I am going to ask you again if you are sure about the date when the gas was turned on at 99th Street?

The Master: Objection sustained.

Mr. O'Brien: Your Honor, I think we can correct a palpable error here.

The Court: You will have to correct it in some other form. This witness has repeatedly said he had no doubt about it. I won't permit any more cross-examination on it. And I don't know what date it was.

Mr. O'Brien: Well, it is going to figure in this 13430
way, your Honor, because you are taking the position that if the candle power fell while we were doing work for Uncle Sam in the Consolidated Gas Company's plant, then we cannot assert the claim that they have come into equity with unclean hands.

The Master: Right.

Mr. O'Brien: Now, the tests indicate that at other periods than the time within which the witness asserts the gas was on for the government, the candle power was much below 22.

The Master: That is all right. Then you prove it independently. You have his testimony 13431
that they started turning gas into 21st Street on the 14th of April, and at 99th Street on the 30th of July, and if your evidence discloses that at dates prior to that their gas fell off, then the burden will be on them to try to meet it in some other form.

Mr. O'Brien: I was going to offer the witness this little—I was going to show him the city tests for the 99th Street station, so that he might correct his testimony now as to when the gas was turned on. It may be he is correct as to that.

The candle power according to these records was down long before July 30th.

The Master: I won't allow it.

Mr. O'Brien: Well, I will let the witness correct his own testimony.

The Master: Sure.

Mr. Ransom: The witness's testimony does not need any change or correction.

Mr. O'Brien: Well, he switched once before. He said he was superintendent of a railroad, but he withdrew that, though. He was superintendent out at Altoona there, but he corrected that testimony. He has corrected testimony about the executive committee and a few more little things that were seemingly unimportant at the time, but we considered them of some importance.

13433

Q. Have you been advised by the attorneys for the complainant company that they haven't any claim, any good claim, or grounds for claim against the government in connection with the production of toluol, under the terms of their contract or the pamphlet of costs?

Mr. Ransom: Same objection.

The Master: Objection sustained.

Mr. O'Brien: Exception.

13434

Q. Has the executive committee discussed the question as to how far they ought to press claims against the United States government in connection with the production of toluol?

The Master: Objection sustained.

Q. Are there any items outside of the contract, the letter of the contract, concerning which you have been advised by your attorneys that you have a good claim against the government and may recover a large sum of money?

Mr. Ransom: Same objection.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Have you taken steps of any kind to press claims against the United States Government for moneys in connection with the toluol contract not included in Exhibit 344?

Mr. Ransom: Same objection.

The Master: Objection sustained.

Q. Did the production of toluol in the 99th Street and 21st Street plants affect the B. T. U's in the gas?

Mr. Ransom: Objection sustained.

The Master: Objection sustained. 13436

Q. Furnished to the consumers?

The Master: Objection sustained.

Mr. O'Brien: I submit, your Honor—

The Master: I threw out the British thermal units three weeks ago, because I was not interested in it.

Mr. O'Brien: You are not mixing this up with the B. R. T.'s, are you?

The Master: I can't very well be mixing it up with the B. R. T.'s, when I am talking about the British thermal units.

Mr. O'Brien: I submit, your Honor, that the consumers have paid for their gas— 13437

The Master: I know I have.

Mr. O'Brien: By this time those that did not pay have their throats cut.

The Master: We have had enough of it. Next question.

Mr. O'Brien: Your Honor, I don't know what position you have taken. I would like to have that definitely stated. We want to find out what other elements were extracted by the government, you know. This is not a Red Cross meeting we are in here, but if it is going to resolve into

dollars and cents later on by the complainant company, we ought to know whether they are going to base a claim for lack of B. T. U.'s that were resultant to the operations of the government. That is all.

The Master: Objection sustained.

Mr. O'Brien: The heat qualities should be there to the consumers, and that is what they paid for. Now, when you come to find out how much it costs to make gas at 21st Street plant, we want to know, and you will want to know
13439 what the B. T. U.'s were for the year 1919. Now, that means this, further. It goes to the question of their being in equity with unclean hands. We want to know in connection with the gas furnished to the consumers by the complainant company, not only whether they lived up to the standard of 22 candle power, but also whether they gave their consumers the heat units that would be with 22 candle power. We want to know what the test showed, and I want to know how far the witness went into that. I want to know how far and how closely the witness has kept in touch with the tests that were made by the
13440 city and the tests made by his own company, so that he might know whether they ought to have negotiated that contract with the government in the way it was.

The Master: He could not help himself. The government was boss during the year 1918 on these things. You make the contract they give you, and no others. If you had had any experience at all with government operations at all last year, you would know that the individual or corporation which had to deal with it, did not have a chance to argue anything. The government said

what it would do, and that ended it, and the more arbitrary the particular official happened to be, the less consideration you got. There were some of them who had had some practical business experience that you could talk to, but most of them came from civil life and had not had enough business experience to keep a yellow dog alive, and I won't go into those things.

Mr. O'Brien: Your Honor, you need the whole story.

The Master: No, I do not.

Mr. O'Brien: The last gas case I was in, the 13442
utility expert for the company was a man who got a colonelcy and was in the Ordnance Department at the time his own company was producing millions of dollars worth of supplies for the Allies.

The Master: Lots of other colonels—

Mr. O'Brien: He had been connected with Gas Companies for years, and he is a perfectly honorable man, so far as I know, but at the same time, when it comes to negotiating contracts and all that, we know the bias that they will get through long association with a particular subject-matter. Sometimes it is inescapable, like men who come within the range of the Upas tree. 13443
I don't know—

Mr. Ransom: The Koppers tree?

Mr. O'Brien: Upas tree, to wit, the Public Service Commission. The best man in the world pass within the portals of that place and are changed; there is something in the atmosphere that is absolutely killing.

The Master: You mean when he becomes a Commissioner.

Mr. O'Brien: No, Commissioner or attache or supporter of any kind.

13444 Walter R. Addicks, Cross.

The Master: Well, you can go further than that. When counsel to some of the Public Service Corporations come in, sometimes their whole attitude changes. I felt as though I wanted to kill somebody two or three times when I had to appear before Maltbie on those Commissions. But we don't get anywhere with this. Objection sustained.

Q. Mr. Addicks, what steps, if any, did the company take to inform the consumers during the time that the gas was turned on for the United States government in this extracting of toluol process, to have them adapt themselves to the lower candle power gas that was furnished?

13445

Mr. Ransom: Same objection.

The Master: Objection sustained.

Q. Isn't it a fact that the burners that would be attuned and adopted to 22 candle power, would have to be changed in order that the consumers might get the full benefit of the gas furnished to them by the company?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Was there any promise made to the consumers when the company took up this work with the government and turned on the gas, that the company would supply what they had failed to give to the consumers under their contract with the consumers?

13446

The Master: Objection sustained.

Q. During the period that the government's plants were in operation?

The Master: Same ruling.

Q. Was any circular of any kind on this subject issued by the company?

The Master: Same ruling.

Q. Did the company use the same form of contracts

with the consumers and exact the same deposits during the period that the gas was turned on for the United States government in connection with these plants, as they did before?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Has the executive committee or the Board of Trustees of the complainant company come to any determination or passed any resolution providing for the return to the consumers of amounts that will compensate the consumers for what they lost in the gas that was furnished to them during the time that the 13448
government was attempting to extract toluol from the complainant's gas at the 99th Street and 21st Street stations, or at the Standard Company's stations?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. You stated in your testimony, Mr. Addicks, that the 99th Street station and the 21st Street station were the only stations used by the government in connection with this matter; is that correct?

The Master: Same ruling.

Mr. O'Brien: I am calling the witness's attention to a statement that he made possibly through inadvertence. I will come direct to it. 13449

Q. Is it a fact, Mr. Addicks, that the 14th Street station has been used in connection with the government work?

The Master: You can answer that.

A. The 14th Street station has not been used in connection with the toluol work for the government.

Q. Is it not a fact that the coal storage building there was used in connection with that work?

A. Not in connection with toluol; no, sir.

Q. In what connection was it used?

A. There was some work at the 14th Street station in connection with the gas defense.

Q. What work was that?

A. In connection with the production of carbon for gas masks.

Q. Did you have to do with that work? A. More or less.

Q. Did you make the contracts for it?

A. The contract was made by the Astoria Company.

Q. Did the Astoria Company pay you a rental for any part of the 14th Street station?

A. The Astoria Company compensated the Consolidated Company for anything that was used in con-
13451 nection with that contract.

Q. Did that include space?

A. It included everything that was used.

Q. Have you got a statement with you of just the intercorporate relations in connection with this matter?

A. I have not.

Q. Where will it be found?

Q. Anything in connection with it will be found undoubtedly in the office records.

Q. Do you recall now the amount that was paid by the Astoria Company to the complainant company, or credited to the complainant company, for materials
13452 furnished or space rented or facilities rented, or work, labor or services given in connection with that work?

A. I did not.

Q. Could you approximate it?

A. No.

Q. Did you negotiate the contract with the government for the Astoria Company in connection with that matter?

A. The contract was negotiated by one of the gentlemen in the chief engineer's office and counsel and I passed upon the terms of it.

Q. Who was that—Mr. Woods?

A. No, the details of the contract were negotiated by Mr. William Cullen Morris in connection with the advice of counsel, and the matter was looked over by me before it was finally executed. The original question which arose, which was entirely with the Astoria Company, originated between an officer of the government and myself.

Q. Who was that officer?

A. Major Bradley Dewey, now Colonel Bradley Dewey.

Q. Was the amount involved there, so far as you know, very considerable? 13454

A. I do not know that the amount involved so far as the company was concerned, was very considerable, but the amount involved so far as the government was concerned in building a plant at Astoria for the production of carbon was quite considerable.

Q. They had a plant there—the government did?

A. They built their own plant.

Q. At Astoria?

A. At Astoria.

Q. Did the Astoria Company help them in the same way by producing this gas?

A. It had nothing to do with gas whatever. It had no connection with the gas manufactured by the company in any way, shape or form. 13455

Q. I know, but you produced certain materials there at the plant?

A. It was carbon produced from cohune nuts, and they were things which the government brought there. It had nothing to do with the manufacture of gas.

Q. Could you approximate the amount so that we would know how large or small it was—that was credited to the complainant company by the Astoria Company for material furnished or labor and services, or rented space, and so on?

A. To the best of my recollection the contracts were made by the government and the company handled those contracts.

Q. You mean the Astoria Company?

A. Yes. As to just how the details of the accounting were taken care of I would not like to testify with assurance.

Q. I meant could you say whether it was a hundred thousand or a million?

A. Yes, it was a very large sum, so far as the total cost to the government for that plant is concerned.

13457 They erected a great number of buildings, and they erected a cantonment on the adjoining property.

The Master: He means, what was the amount involved so far as the Consolidated Gas Company is concerned? Have you any idea how much money was charged or credited on the books to the Consolidated Gas—a few thousand or a few million?

The Witness: No, it was not a few thousand. It might be quite a number of thousand dollars, but I cannot distinguish as to the actual expenditure of the government in all those buildings, which was a very considerable sum of money.

13458 We were allowed a certain amount for running their plant, and we were allowed a certain percentage on certain construction work which we performed for them and furnished engineering facilities for. What those amounts are I would not like to say.

Mr. Ransom: Are you referring to 14th Street?

The Witness: No, I am talking about the Astoria plant.

The Master: I am talking about the amount for the use of the 14th Street plant.

The Witness: As far as the use of the 14th Street plant is concerned, it is the use of the retorts which were put under fire. But the material was moved by an outside source, by the government, the material that the government brought there and that was turned into carbonaceous material, and that material was then moved again to Astoria and went through various purifying operations in the Astoria plant.

The Master: The amount involved, so far as the Consolidated was concerned, in the use of the facilities at 14th Street for the making of this 13460
carbon, and perhaps steam or labor, could not amount to very much, could it?

The Witness: I am sorry I could not recall the amount, but I do not know what was involved in it. There were certain alterations made to the 14th Street plant by the government. I think that was done by ourselves. Then those things were taken out and the plant was restored to its original condition. What those figures are I do not know.

Q. The nuts are still there; you know that, Mr. Addicks, don't you?

A. No, I do not think they are there now. I think 13461
they are all burned up.

Q. You know that; you have seen them? That is one of them (handing witness)?

A. I think that is one of them. They were burned up by the government.

Q. They were not burned up a month ago.

A. No, they were burning very rapidly at that time in the boilers.

The Master: What were you doing, using them as fuel?

The Witness: Using them as fuel.

Q. They were used in the boiler house there in place of fuel?

A. That is what I say; they were used as fuel to get rid of them.

Q. Well, you were getting the benefit of them?

Mr. Ransom: The government abandoned them.

The Master: Objection sustained. The subject has been fully covered.

The Witness: I want to say it is just possible we bought them for a very small amount of money, but I do not recall that especially.

13463

The Master: I do not want to hear anything more about it.

Mr. Ransom: They had nothing to do with the gas business?

The Witness: Nothing.

Mr. O'Brien: Why, they are used in making gas, Judge Ransom. They are used under the boilers there.

The Master: Let us have the next question.

Q. Do you know whether the credits due the Consolidated Company for materials furnished or labor or facilities furnished in connection with this carbon production have as yet been computed and registered in the books of the complainant company?

13464

Mr. Ransom: I object to the question.

The Master: Objection sustained.

Mr. Ransom: It is not within the issues of this case.

Mr. O'Brien: What?

Mr. Ransom: It is not at all within the issues of this case.

Q. What employees of the complainant company have been used in connection with this work?

The Master: Objection sustained.

Mr. O'Brien: Your Honor, to get this thing clearly before you—

The Master: It is clear.

Mr. O'Brien: I call your attention to the fact that our position is they ought to have been rid of this 14th Street plant long ago.

The Master: I know your position.

Mr. Ransom: And you have proved that we needed it.

Mr. O'Brien: The question of how far the company afforded facilities of labor is in this case.

The Master: We have had enough of it in this 13466
case.

Mr. O'Brien: It goes to the intercorporate relations between the complainant and the Astoria Company.

The Master: I will not discuss that at this time. I am trying to find out what it costs to make gas.

Q. Did you use any coal or coke in connection with the retorts there at the 14th Street plant in this matter?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. I understood, Mr. Addicks, that you purchased materials for the government in connection with the 13467
work at 99th Street and 21st Street stations. Have you produced a list of the supplies and the amounts involved that you furnished to the government?

The Master: Objection sustained.

Q. Where did you purchase these materials?

The Master: Same ruling.

Q. To what amounts were they purchased?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Did Mr. Gawtry purchase any of them?

The Master: Same ruling.

Q. Were any of these materials used in common by the complainant company with the government?

The Master: Same ruling.

Q. Will you tell why in one case the gas turned on for the government was sent to the purifier house before the government got it, and why it was not done in the other?

The Master: Same ruling. It has been adequately covered.

Q. Can you explain that any more fully than you did in your testimony when last on the stand?

13469 The Master: Same ruling. The Master does not think it necessary to have any further explanation of it.

Q. Where did you purchase the wash oil, as you call it, Mr. Addicks?

The Master: Same ruling.

Q. Have you got a record of the amount of wash oil or straw oil furnished to the government?

The Master: Same ruling.

Q. Have you got a record of the deliveries of wash oil made by the government to the complainant company?

The Master: Same ruling.

13470 Q. Why didn't you use gas oil in connection with that matter, Mr. Addicks?

The Master: Same ruling.

Q. Did you use gas oil in connection with it?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Mr. Addicks, state how you made your computations as to the total amount of gas that was washed by the government at each of the stations?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Did I understand you to say in your testimony

that there was no practical difference in the value of the gas of one candle power or of a lesser candle power as furnished by the company?

The Master: Same ruling.

Q. Do you wish to change your statement on that if you made it, Mr. Addicks?

The Master: The Master will not take it.

Q. Do you know the date of the order, if there was an order, issued by the Public Service Commission in connection with your work in the toluol matter?

A. I know of no order issued by the Public Service Commission in connection with our government con- 13472
tracts for toluol?

Q. Did you get their approval?

Mr. Ransom: I object to the question as incompetent and calling for a conclusion.

The Master: I will sustain the objection.

Mr. O'Brien: Exception.

Q. Have you got a copy of the order that the government made with regard to the by-passing of gas?

A. I have letters in regard to it, yes, sir.

Q. Here?

A. I don't know whether I have them here or not.

Mr. Ransom: I have them, or some of them.

Mr. O'Brien: Are there more than one? 13473

Mr. Ransom: I think there are two or three at least. At various times the government made directions to cut down the by-passing.

Q. Mr. Addicks, does your experience bear out this proposition, that the lower the candle power the larger the volume of gas used by consumers?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Mr. O'Brien: Of course that gets away from some matters, your Honor, that we have before us, but it is perfectly proper cross-examination.

The Master: I will not take it at this time.

13474 Walter R. Addicks, Cross.

Q. Did you ever analyze the figures, Mr. Addicks, of the complainant company showing the amount of gas consumed after you had dropped the candle power, after you dropped below the required candle power?

The Master: Objection sustained.

Q. Either before or after entering into the contracts with the United States government for the manufacture of toluol did the complainant company in any form, shape or manner take the matter up with the Public Service Commission?

The Master: Objection sustained.

13475 Q. Have you ever seen a copy of the minutes of the conferences with the Public Service Commission on that subject, if there were any?

Mr. Ransom: I object to that as immaterial and incompetent.

The Master: Objection sustained.

Q. Were you present at such conferences?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Was Mr. Rockefeller present at the meetings of the executive committee where the contracts to be entered into with the United States government were discussed?

13476 The Master: Objection sustained.

Q. Was Mr. Brady present at those meetings?

The Master: Same ruling.

Q. Did Mr. Rockefeller discuss the matter himself and express any opinions in regard to it?

The Master: Same ruling.

Q. Was there any offer made by Mr. Rockefeller to exert his influence with the Standard Oil Company of New Jersey to supply gratis the oil that might be necessary to assist the government in its production of toluol in the complainant's plants?

Mr. Ransom: That question is quite out of the bounds here.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Have you been consulted, Mr. Addicks, by the affiliated companies with regard to their claims against the government, or their compensation under the contracts that they made in connection with the production of toluol?

The Master: Same ruling.

Q. Are you able to state the amounts of the claims, if any, formulated or about to be computed, by any of the affiliated companies?

The Master: Same ruling. 13478

Q. Were these claims of the affiliated companies against the government because of the production of toluol discussed at the meetings of the executive committee of the complainant company?

The Master: Same ruling.

Q. Have you received any requests to appear before the Senate Investigating Committee on the question of the production of toluol for the War Department?

The Master: Same ruling.

Q. Or the work done at the complainant company's plant in connection with that matter?

The Master: The same ruling 13479

Q. Have you, or has any officer of the complainant company, volunteered to appear before the Senate Investigating Committee looking into the question of the expenditures made by the War Department in connection with the production or attempted production of toluol?

The Master: The Master rules out the question and directs counsel not to ask any more questions along that line.

Mr. O'Brien: Exception.

Q. Mr. Addicks, will you deny the assertion that

13480 Walter R. Addicks, Cross.

there was a marked increase in the consumption of gas by the consumers of the complainant company after the fall in the candle power qualities of the gas sent to said consumers?

The Master: That question is not allowed, and the Master calls attention to the fact that the question has been asked in various ways on various occasions, and requests that no further questions be asked along that line.

Mr. O'Brien: Exception.

Q. Did you keep a complaint book, or do you make
13482 a practice of keeping a complaint book wherein are registered complaints against the quality of gas?

The Master: The Master rules out that question and calls attention to the fact that that question has been asked in various forms on a number of occasions, and suggests that no further questions be asked along that line. You are not going to get into the question of complaints. I have ruled against it consistently all afternoon.

Mr. O'Brien: Well, your Honor, perhaps if I ask two or three questions along that line, you would see that the questions are admissible.

The Master: I will let you ask a couple of
13481 questions more, if you haven't got your record. I am not going into the question of complaints made about gas.

Q. How did the number of complaints made during the period when the gas was on for the United States government in this work, compare with the number of complaints in corresponding months in other years?

The Master: Objection sustained.

Mr. O'Brien: Exception.

The Master: Complaints do not prove anything. The mere fact that your wife or my wife

does not like the gas and complains that it does not suit her that day, does not prove that the gas is not up to candle power?

Mr. O'Brien: Your Honor, there is an important and inescapable proposition that whether they prove anything or not, complaints are an expense to this company. They are using the money of the consumers to go around and hunt these complaints down.

The Master: Why, of course, they have to.

Mr. O'Brien: They are using these men, and whether they are using them wisely, and whether 13484
it is necessary or not, is another question that you are going to determine.

The Master: Of course it is necessary. People are going to complain about the service they get, whether it is transportation, gas or anything else, and they have to have people investigating these complaints.

Mr. O'Brien: There are two or three matters that I would like to call to your Honor's attention before we pass from this question. One of them is, I think, that you have confused my questions with the complaints that have gone in to the Public Service Commission.

The Master: No. 13485

Mr. O'Brien: The second proposition is this: Long before the gas was turned on for Uncle Sam, the quality of the gas furnished to the consumers was very poor.

The Master: You have made that contention before.

Mr. O'Brien: 275,000 complaints went in, and each complaint according to sworn testimony required investigation of some employe other than the gas collector or the fitter, in other words, a

man specially selected for that kind of work, and that is a great deal of expense to the consumer, and still the company attempted to excuse it by saying it was all due to the distressful winter, and weighing that all up after the record is in, your must have the complete story, because they were just as ready with their excuse before Uncle Sam got the gas for toluol, they were just as ready with their excuse for low candle power as they are now. There it was Boreas, and a terrible winter, that was accountable for all the
13487 troubles of the consumers, and their not getting what they paid for, and of course, as soon as the gas was turned on, it was Uncle Sam, and the spirit of patriotism that must soothe the poor consumer. I have assumed that your Honor would allow me some latitude on these questions, because they ought to come up while Brother Addicks is on the stand. He is the man we want to ask about these things, and Mr. Aldrich or Mr. Gawtry cannot play that part. I ask your Honor to permit me to get into these questions with a reasonable amount of latitude.

The Master: I will not allow you to go into
13488 it at all.

Mr. Ransom: I take it that by requiring a large measure of silence from me and the witness, you will not regard me as assenting to these statements of fact that Mr. O'Brien has persisted in making. They are far from the facts, even those shown by the records which he has before him. For instance, there is no record showing any such number of complainants against the Consolidated Gas Company. I and the witness under the Master's rulings have been silent upon these things, and Mr. O'Brien has made a per-

sistent record of assertions. I do not think they are material, and I am sure they will not be given weight by your Honor, but by silence I would not want to be regarded as in any way affirming them, because they are not true.

Mr. O'Brien: Well, I did not refer to the direct testimony of Mr. Addicks when he was on direct-cross examination before the Public Service Commission. I referred to the cross-examination of myself at that time.

The Master: Next question, Mr. O'Brien.

Q. Does Exhibit 344 include any costs that were 13490
estimated under paragraph numbered 1 at the foot of page 7 of Exhibit 343, which reads as follows: "The increased cost over present operation if any of transmitting gas for treatment from the 99th Street works of the contractor to the increased facilities at 115th Street works of the Standard Gas Light Company"?

The Master: The question is not allowed. Counsel's attention is directed to the fact that the Master has ruled out a very large number of questions as to the items included in Exhibit 344, and does not expect any more questions on that.

Mr. O'Brien: I will suspend here, your Honor.

The Master: Have you anything, Major Clark? 13491

Mr. Clark: I have no questions. The exhibits that Mr. Addicks put in I gave to the accountants as soon as I got them, and they say they have not had a chance to check them up yet.

The Master: What is that?

Mr. Clark: The exhibits put in as to the amount of money received. The accountants are still working on them and they are not yet checked up.

The Master: Well, you are not prepared with any questions?

Mr. Clark: I am not prepared to ask any questions at this time.

The Master: Then I shall have to rule that you have lost the right of cross-examination unless I allow you to recall the witness later on.

Mr. Clark: It is a physical impossibility to check these things because they run into very intricate matters.

The Master: I will excuse this witness. If any counsel wants to recall Mr. Addicks later on I will entertain an application, and if I think it
13493 advisable I will grant it.

Mr. O'Brien: That is limited to new matter and not to something that has been gone over?

The Master: I will not limit it even to that. If in the course of this trial any suggestion occurs to any counsel which might have been used now for cross-examination, and it occurs to you later on, and I agree with you that it is a matter that you ought to have the right to interrogate the witness about, I will either direct that he be recalled by the complainant, or will allow you to subpoena him.

Mr. Ransom: The cross-examination is re-
13494 garded as closed?

The Master: Yes. It will require a special application to me, and with a ruling on my part that I think it is proper that the witness should be recalled. It is the same thing that I have done with reference to every witness heretofore. I will assume that the cross-examination is ended, but I will not refuse to hear an application to have a witness recalled if anything occurs to anybody that is important to a decision in this case.

Mr. O'Brien: In connection with the cross-examination of the witness I will say to your

Honor that I received copies of the contracts at 11:30 today when I was in conference on some other matters, and I had not a chance to look them over before coming into court this afternoon.

The Master: There may not be anything else that any of you gentlemen want, but if there is, and if you will call it to my attention later on, and if you satisfy me that there is something you ought to ask the witness about that is in line with the rulings I have made, I will take care of it at that time. 13496

Mr. Clark: It is not at all certain that there will be anything.

The Master: That is what I say. If at any time you make an application and say that you would like to have Mr. Addicks recalled to be examined upon a particular line which has not already been covered, or not perhaps covered on the line that you have in mind at that time, and it appears to me that it is a line that I should have been glad to take now, I am not going to draw the line very closely about bringing a witness back. As I said at the outset, we want to get every fact that will help us determine the 13497 issue, but at the same time I want to keep out of the case things that do not seem to me to affect the question.

Mr. Ransom: In the toluol matter, under your Honor's rulings this afternoon, I have no re-direct examination of Mr. Addicks. There are some phases of the toluol matter that, if it should become material, and your Honor's attitude was in any respect changed from what was indicated by your rulings, I would wish to go into them, but on the situation as it now stands I have no

re-direct on toluol. I have certain questions with respect to other matters.

The Master: This is strictly re-direct?

Mr. Ransom: Strictly re-direct.

RE-DIRECT EXAMINATION BY MR. RANSOM:

Q. Mr. Addicks, you are asked concerning a quotation which you got, or the getting of quotation on Oklahoma oil. Have you the letter embodying such quotation?

A. Yes, sir.

13499 Mr. O'Brien: May I ask who asked the witness that question?

The Master: I remember that the question was asked.

Mr. Ransom: He gave the quotation but he did not give the letter.

The Master: I think Mr. Chambers asked the question.

Mr. Chambers: No—

The Master: We assume there was enough basis in cross-examination to take this on re-direct.

Mr. Chambers: You are mistaken about that.

13500 Q. Is this the letter which was received by the complainant from one of the Oklahoma oil companies (handing witness)?

Mr. O'Brien: I object to it as incompetent, irrelevant and immaterial and not re-direct. I call to your Honor's attention the questions which I put to the witness with about as much care and definiteness and particularity as could be used—"Do all these letters contain every letter that was written on the subject of price for oil and negotiation of contracts?" It was inescapable. Your Honor shut me off afterwards and said that has been answered and answered.

Mr. Chambers: I asked him about the Oklahoma Oil & Refining Company.

Mr. Ransom: And he says he got an offer of 9 3/8 cents.

The Master: I will sustain the objection on the ground it is not material. He testified he has a letter and he has it here in court. If the other side want it they can have it.

Q. Is this the letter which sets forth the quoted price to which you referred on cross-examination?

A. Yes, sir.

Mr. Ransom: I offer this letter in evidence. 13502

The Master: I will sustain the objection.

Mr. Ransom: Exception. May I have it marked for identification?

Marked Complainant's Exhibit No. 345 for identification.

Q. Mr. Addicks, you were asked on cross-examination with respect to an offer from the Seaboard By-Product Company for drip oil. Was such offer embodied in writing and have you the letter containing it?

A. It was, and I have.

Q. Produce it?

(Witness produces paper.) 13503

The Master: What is the date of it?

Mr. Ransom: That date is May 19, 1919, from the Seaboard By-Product Coke Company. I offer this in evidence

The Master: Is there any objection?

Mr. O'Brien: Is this from the company to you or from you to the company?

Mr. Ransom: It is the offer from the Seaboard Company.

Mr. Chambers: May I ask a question or two of the witness?

The Master: Yes.

By Mr. Chambers:

Q. Mr. C. J. Ramsburg, who signs this letter now offered by counsel, being the letter of May 19, 1919, was he consulting engineer for the Consolidated Gas Company at some time or other?

A. No, sir; I never recall his being that.

Q. Was he not to be consulting engineer, Mr. Addicks?

A. Beg pardon?

Q. Was he not to be? Were you not going to hire him as consulting engineer?

13505 A. I do not recall any such purpose.

Q. Did you not state at one time that Mr. Ramsburg was to be the consulting engineer of the Consolidated Gas Company?

A. No, sir.

Q. And he is not connected in any way with the Consolidated Gas Company?

A. No, sir.

Q. Was he to be consulting engineer upon any line of work for the Consolidated?

A. I do not recall anything, sir.

Mr. O'Brien: Where is their plant located, Mr. Addicks?

13506 The Master: Objection sustained. Is there any objection to this letter?

Mr. Chambers: I object to the letter as incompetent.

Mr. O'Brien: Your Honor, it has reference made to a conversation.

The Master: Do you object to the letter?

Mr. O'Brien: I am going to object, and I may have several reasons more for objecting. That is the reason I am asking the question.

The Master: Give me one objection.

Mr. Ransom: This was brought out on cross, but the price was not brought out.

The Master: The price was not brought out?

Mr. Ransom: Not in this letter, and the letter shows that the price was lower than they got from the Barrett Company, and they wanted a long term contract.

The Master: I thought the witness had testified to the price.

Mr. Ransom: Not as to the price, no.

The Master: I will take it. Objection overruled.

Mr. O'Brien: Permit me to ask the witness a question. 13508

The Master: I will let you ask it on cross-examination.

Mr. O'Brien: This refers to conversations that are not being produced here.

The Master: I cannot help that. I will take it.

Mr. O'Brien: May I ask the witness as to his relations with Mr. Ramsburg?

The Master: No. The cross-examination may bear on that.

Mr. O'Brien: I object to it as incompetent, irrelevant and immaterial, that it refers on its face to conversations concerning which no testimony has been given; that it does not appear that the writer in question was authorized to make any kind of an offer, or was interested in the particular matter. It is authorized by the company that this letter represents he is vice-president of. There is no explanation given of the conditions under which the letter came forth. It is indefinite. It embodies matters or conditions that are not in the contracts that have been received in evidence. 13509

The Master: That is what Mr. Addicks said

13510 Walter R. Addicks, Re-direct.

was the reason he would not discuss a contract with him.

Mr. Ransom: They would not take it merely for six months or a year.

Mr. O'Brien: I submit to your Honor that this letter was written since this action was begun.

The Master: I do not care anything about that. I do not think it is very important. If the witness had testified to the price, as he did the price as to the Oklahoma oil, I would not have taken

13511 it at all.

Marked Complainant's Exhibit No. 346

Q. Was the price offered by the Seaboard By-Products Coal & Coke Company lower or higher than that which you got from Barrett?

Mr. O'Brien: I object.

The Master: Objection sustained.

Q. Subsequent to this letter of May, 1919, before making the contract with the Barrett Company, did you try to get the Seaboard Company to make a contract for a period of six months or a year?

A. Yes.

Q. Would they do it?

13512 A. No.

Mr. O'Brien: I record my objection to the first question, on the ground that it is incompetent, irrelevant and immaterial, and it is not re-direct.

Mr. Ransom: It certainly is re-direct.

The Master: Go on; next question.

Mr. O'Brien: Exception.

Q. Mr. Addicks, you were interrogated on cross-examination regarding the matter of oil storage. For the storage of a six months' oil supply for the Consolidated Gas Company's 99th Street and 21st Street

plants alone, how many storage tanks would have to be built?

Mr. O'Brien: I object to that.

The Master: Well, I think that is indefinite. It would depend upon the size of the tanks, of course.

Q. How many half-million gallon tanks would have to be built for the Consolidated alone?

Mr. O'Brien: I object to it as incompetent, irrelevant and immaterial, as not giving the witness any data from which he can make a computation, or any promise on which he can predi- 13514
cate a judgment.

Mr. Ransom: Yes. They went into this matter very fully.

The Master: That is not the point, Mr. O'Brien. The point is this, that that kind of a question gets me nowhere. I suppose that I am interested in the amount of oil that would have to be stored for a six months' supply.

Mr. Ransom: Yes.

The Master: But I am not interested in the number of tanks that would have to be built, because they probably could build two that would hold it, and they might not find it possible by 13515
building twenty of a different size. I will let you ask him how many gallons of oil would have to be stored for a six months' supply.

Mr. O'Brien: Is this a holder you suggested?

Mr. Ransom: A storage tank.

The Master: What I will take from Mr. Addicks—

Mr. O'Brien: You are going to open up a nice examination here, your Honor.

The Master: What I will take from Mr. Addicks is, referring to the cross-examination as to

13516 Walter R. Addicks, Re-direct.

the storage of oil, how much oil would have to be stored for six months' supply for the 99th Street and the 21st Street plants alone?

Mr. O'Brien: Objected to as incompetent, irrelevant and immaterial. The question calls for now an expert opinion from the witness, which he has not shown himself qualified to give, and that is how many gallons of oil per thousand cubic feet are necessary to make gas.

The Master: Oh, no, he bought the requirements and knows what was delivered and paid for

13517 at the 99th Street and 21st Street plants. Now, upon that basis, how much would you have had to store for six months?

Mr. O'Brien: Exception to your Honor's ruling.

The Master: Yes

Mr. O'Brien: And I renew my objection.

The Witness: For six months, based on the 31,000,000 gallons used for the Consolidated Company alone, that would be about something under 16,000,000, although my calculations are based on 20,000,000 gallons.

Q. For the six months including the winter period,

13518 what would be your six months' supply?

Mr. O'Brien: Same objection.

The Master: Same ruling.

A. The six months during the winter would naturally be larger than the other, so I have taken twenty million as a safe—

The Master: Average?

The Witness: A safe figure to take for this computation.

The Master: What is the largest tank holding oil in use on Manhattan Island?

The Witness: 500,000 gallons.

Q. Or in the Bronx?

A. Or in the Bronx.

Mr. O'Brien: I make the same objection, your Honor. You haven't got outside the complainant's affiliated companies in that question.

The Master: I can figure myself how many tanks it will take.

Mr. O'Brien: Ask him something about Chicago.

The Master: No, I won't, and I won't allow you. I am talking about Manhattan Island, not the waste of Chicago.

13520

Mr. O'Brien: But the question isn't of any value unless you get outside of the property of the affiliated companies of the complainant.

The Master: My own judgment about it is that neither the cross-examination nor the re-direct is of any value. I am permitting it because it was brought out on cross, is all.

Mr. O'Brien: Well, just to please—

The Master: No, but you brought it out on cross, I let you bring it out, and I think it is only fair to Judge Ransom to bring it out on re-direct, but I do not think it is important, and I won't allow any extended cross-examination on it again.

13521

Mr. O'Brien: I expect they will approach that question, and it is a big question, and they will get expert opinion on it, and I will welcome it. I do not want it flippantly at the midnight hour, here, 4:20—

The Master: This is just the morning hour. I am going to sit until this job is finished with Mr. Addicks tonight. I am going to sit until half past five anyhow, tonight.

Mr. O'Brien: This is a big proposition to

bring up in the tail end of our examination this afternoon.

The Master: Don't talk about midnight hours, because we have just begun. I am going to sit until half past five in any event.

Mr. O'Brien: I will probably have to leave before half past five.

The Master: I don't care what time you leave. You didn't come here until half past one, and I am going to sit four hours. You can leave as early as you like.

13523 Q. Can you give us an estimate of the cost to the complainant of erecting storage tanks?

Mr. O'Brien: Same objection. Now, your Honor, he is going into another field of expert testimony, for which the witness has not at all qualified himself. When we insisted we wanted to ask him a few questions that were a little bit off the line, they said he has only been brought here as an expert on oil contracts, not to give you a scientific story about oil, but to tell you how he bought it. Now he is going to make him an expert builder; he has taken off the blinkers now.

The Master: If you would only stop your
13524 discussion, I would rule on this question.

Mr. Ransom: Mr. O'Brien went into it over my objection.

The Master: I know what he brought out.

Mr. Ransom: Why they did not—

The Master: Yes, and Mr. Addicks said they did not think it was good judgment to do it.

Mr. Ransom: Surely on re-direct we are entitled to show the estimated cost. What I propose to show is this: that although this company buys oil on the average cheaper than other New York City companies and does not have to pro-

vide its own storage facilities, that if they undertook to provide their own storage facilities, that they would add considerably more than one cent a gallon at the least, and in reality, all told over two cents a gallon to the cost of this company's gas oil. There are some companies in New York which are able to provide their own storage facilities, and nevertheless this company gets its oil on an average cheaper than they do, but this company does not charge its consumers with the maintenance of these storage tanks, with the repairs and renewals and taxes, the very 13526
high insurance, as well as the return on the investment, and that in order to provide storage facilities for gas oils for six months' supply, would put a very large sum into the operating expenses, and also into the capital account of this company.

The Master: I am going to ask Mr. Addicks one or two questions that appeal to me, and I think that will be all that I am going to allow.

Mr. O'Brien: May I call to your Honor's attention this, that my questions were directed principally to what they have done to investigate this matter? 13527

The Master: Yes, I know that, but I am going to ask Mr. Addicks a couple of questions.

By the Master:

Q. Mr. Addicks, you have testified that it would require an average storage of 20,000,000 gallons of oil if you were to lay up a six months' supply for the Consolidated Gas Company?

A. Yes, sir.

Mr. O'Brien: I want to record my objection when you get to the salient point.

Q. I understand that the largest tank—

A. With a fair margin of safety.

Q. I understand that the largest tanks, oil storage tanks in use on Manhattan Island and vicinity, are half a million gallons. That is right?

A. Yes, sir.

Q. Is that due to the fact that it is impracticable to make them any larger?

Mr. O'Brien: Objected to as incompetent, irrelevant and immaterial, calling for expert knowledge that the witness has not shown himself qualified to give, and also calling for a conclusion.

13529

Q. They could be made larger?

A. Yes, sir.

Mr. O'Brien: Exception.

Q. In order to build these storage tanks, you would have to have the room for them?

A. Yes, sir.

Q. The material too?

A. Yes, sir.

Q. Cost of construction?

A. Yes, sir.

Q. You would have the invested capital that goes into it?

13530

A. Yes, sir.

Q. You would have the cost of repairs and maintenance?

A. Yes, sir.

Q. And all those things that go to the maintenance of a large storage plant of this kind for oil?

A. Yes, sir.

Q. Insurance?

A. Insurance.

Q. I think you likewise said in answer to Mr. O'Brien's question there was the risk of lightning and other risks?

A. Yes, sir.

Q. All of these matters were the matters that you testified to on cross-examination as bearing upon the judgment exercised by your company with reference to the building of storage facilities have you not?

A. Yes, sir.

The Master: That is all I will take.

Mr. Ransom: I make the offer of proof along the lines I have previously indicated. If your Honor feels that it is not within the issues and that you are not interested in it—

The Master: I am not interested in the detailed figures. I do not think it is at all important. 13532
I do not think it is my duty as Master to balance the possibility of adding one and one half cents one way or the other, or whether you are going to save money doing this way or that way, if I reach the conclusion that the Consolidated Gas Company in the exercise of its honest judgment believed it was poor business to do it. I do not think I am bound to spend two or three weeks with experts on this side and on the other side, as to how much it would cost, or how much land it would take and where the land would be found and what the insurance would cost and how many men you would have to have and how much iron 13533
you would have to use, and how much paint you would have to use to paint your tanks and all the rest of it. I won't do it and I do not think it is necessary.

Mr. O'Brien: Well, you will have an unfinished story, your Honor.

The Master: Well, I may have, according to your lights.

Mr. O'Brien: That proof condensed into four capsules, by your Honor just now, will never satisfy the requirements of the courts.

The Master: We will see about that before we get through.

Mr. O'Brien: You are just asking the witness if this was good judgment on their part.

The Master: No, I am not asking him whether his judgment was good or bad. All that the witness has testified—

Mr. O'Brien: We might assume just what he has answered before you asked him. They will say of course we are using the best judgment in the world.

13535 The Master: All I have permitted to be placed on the record, in order to avoid a complicated and extended cross-examination by you and other counsel, and so as to avoid getting into figures, is that upon their figures in evidence it will take storage of 20,000,000 gallons for six months, and I can see at once that that will require either 20 tanks or 40 tanks, depending upon their size, or 10 tanks, if you build them large enough. I know perfectly well from the evidence in this case that if the tanks are very large they will take up more room, if they are smaller they will take up room in another way, you have to have space between the tanks, and I know perfectly

13536 well, as the witness has testified, that in order to build the tanks you have to have the land and material and labor, and you have to maintain them.

Mr. Ransom: And you have to have barges and tugs.

Mr. O'Brien: But in this computation you haven't got—there is a factor you haven't got yet.

The Master: What is it?

Mr. O'Brien: The saving to the company by

being able to buy oil in large bulk when the market is down.

The Master: That is just what I am not going to take.

Mr. O'Brien: But the other is valueless unless you get that, absolutely.

The Master: I think it is valueless. I do not think that the courts are bound to go into any such theory of computation at all. I think they will simply land in the clouds, and the courts won't permit you or counsel in cases of this kind to bring in experts as to how they could save 13538
14 cents in a week on doing something differently.

Mr. O'Brien: But your Honor, that is a matter that must be proven, they have got to prove the wisdom and the reasonableness of every item of expense.

The Master: Next question.

Mr. O'Brien: They have got to do that, and if there was a chance to save 15 or 20 cents on the cost of production by buying while the market is low and having their own supply of oil, or even going further, if they could have gotten oil cheaper, buying such large quantities for this 13539
and the affiliated companies, by having their own wells or buying directly at the wells, they have got to prove affirmatively why they did not do that.

The Master: You will never get me to hold that. Next question.

Mr. O'Brien: We will note an exception, and win the case, I am afraid, on that very proposition.

The Master: Next question.

13540 Walter R. Addicks, Re-direct.

By Mr. Ransom:

Q. There was produced by you on cross-examination in response to questions of one of the interrogating counsel, and you were subsequently cross-examined concerning the letter of the Texas Company of July 16, 1914, together with the quotations thereto annexed. It was not offered in evidence. Is this that letter?

A. Yes.

Mr. Ransom: I offer it in evidence.

Mr. O'Brien: I am going to object here on this ground, that I tried to get this information—

13541

Mr. Ransom: You got that. He interrogated him at length. He had it all here, produced at Mr. O'Brien's request, and he examined the witness at great length about it, but in deference to your Honor's suggestion I did not offer it in evidence at that time, but waited for re-direct. That time has now come.

Mr. O'Brien: That is what shuts the door on you. It is not proper re-direct.

Mr. Ransom: An offer in evidence is a proper thing in re-direct. Mr. O'Brien went into all the details and was very eloquent regarding this typographical error on the date between the two parts

13542

of the letter.

The Master: Yes, June and July, 1916. I remember that. Mr. O'Brien only presses his objection on the grounds generally interposed against all of this correspondence.

Mr. O'Brien: I don't think we ought to lead the young man astray by pursuing this course of putting in his case on re-direct.

The Master: I will have to take this. You examined Mr. Addicks fully about this paper. I remember it very distinctly.

Mr. O'Brien: Then my objection as previously made to all of this abbreviated correspondence will be on the record?

The Master: Right. Objection overruled.

Mr. O'Brien: Exception.

The paper was marked Complainant's Exhibit 347.

By Mr. Ransom:

Q. Mr. Addicks, from time to time during the past two years have you familiarized yourself with the prices paid by other companies for gas oil in New York City? 13544

A. Yes.

Q. From what sources have you derived informations to these prices during the last few years?

A. The Public Service Commission, including the reports made to the Legislature and to the public. I think that sums it up.

Q. From these reports and records contained in the annual reports of the commission to the Legislature and the public, have you obtained information as to the prices paid by other companies from year to year?

A. I have, sir.

Q. Have you made up from these reports a summary statement showing the average prices reported 13545 paid by the various gas companies within the City of New York during the past ten years?

A. Yes, sir.

Q. Have you personally checked this summary with the reports and personally checked the computation —that is, for the past ten years?

A. I have personally checked on certain years the reports within that period of ten years, and I have personally checked the computations which have been made as the result of the tabulation of figures obtained from those reports.

The Master: I do not think I can take that as direct proof.

Mr. Ransom: They have interrogated this witness at considerable length, over my objection, from these reports of the commission and from the records of the commission's investigation in 1916.

The Master: Yes, and I stopped them very early in that.

Mr. Ransom: Up to a certain extent.

The Master: No, they only got as far as
13547 1906.

Mr. Ransom: No, they got down to 1911.

The Master: I doubt it.

Mr. Ransom: And with respect to certain matters into 1912. I take this position, and I submit it from two points of view: In the first place, when a witness is interrogated on cross-examination—and many of these figures for some of these other companies in the earlier years were put in the record—asked from the witness and put in the record—I supposed that with respect to seven or eight of those instances the figures were elicited from the witness, the figures which
13548 he had obtained from these sources. Of course they were careful to ask him only as to certain years and only as to certain companies.

The Master: I will let you put in those reports of those years showing the figures.

Mr. Ransom: I have made up a tabulation.

The Master: I will not take that. I will let you take the years that they interrogated Mr. Addicks about, as to several of the companies, and let you offer the reports of those years complete.

Mr. Ransom: I offer it on the further ground,

which it seems to me is likewise sound, that when this commission requires these companies to report under oath the prices which they pay for gas oil from year to year, and when the commission takes those reports, tabulates them, certifies them to the Legislature after examination by the accounting representative to the commission, gives them out to the public, those are valuable and are available to the complainant and to any other person interested as a standard of comparison with respect to the prices paid by companies within the City of New York. 13550

The Master: Assuming that to be so, I will not take a tabulation at this time.

Mr. Ransom: Is that on the ground that you will not take a tabulation from the report or on the ground that you will not take the report, may I ask?

The Master: Just now I rule that I will not take it—in no event will I do any more than take the reports for the years they have interrogated about. I doubt very much whether I will take reports for years they did not ask about. In other words, I am not inclined to go as far as you want me to, to take them as public records having verity, and which I must take as proof of the fact. 13551

Mr. O'Brien: He says "they," but I did not interrogate him about those.

Mr. Ransom: This witness was interrogated by Mr. Chambers regarding a few companies in a few years. He picked out those which were lower and carefully kept away those which were higher.

Mr. Chambers: No, I did not. I challenge that; it is not so. You better state the facts.

13552 Walter R. Addicks, Re-direct.

Mr. Ransom: I offer and propose to show that according to the very records from which Mr. Chambers interrogated this witness, this company has paid less on the average than the other companies in the City of New York for its gas oil.

The Master: I have not any objection to you showing that.

Mr. Chambers: Let him get the original contracts. They are up at the Public Service Commission.

13553 The Master: Mr. Chambers asked this witness whether he knew from the reports, from some investigation made by the Public Service Commission—

Mr. Ransom: In 1916.

The Master: In 1916—what the price for oil was in certain years as to certain companies. I will let you on re-direct ask the witness now with reference to those years as to which the witness was asked by Mr. Chambers what the price for oil was paid by certain companies, what was paid by other companies, from the same source.

Mr. Ransom: Are we not entitled to show it by subsequent years?

13554 The Master: No, it is not re-direct. It is not matter brought out by cross. The matter brought out by cross was that during certain years—I may be in error about the particular years, I thought I stopped it early, but they may have gotten as far as your recollection says they did. But I will not go beyond your showing that during that period this witness is familiar not alone with the companies they asked him about, but other companies, and put in the whole record that he knows for those years. That is all I will do.

Mr. Chambers: I submit he ought to get the contracts, too.

Mr. Ransom: I realize that what I am confronted with is the necessity of producing from the records of the Public Service Commission the things which the Commission has compiled for the purposes of its report to the Legislature and the public. That, of course, I am obliged to do under your Honor's ruling, and shall do.

The Master: No, you are not obliged to do that. This witness may have available data from which he can give us what all the companies paid, 13556
according to the same source of information, during that same period, without getting the Public Service Commission books.

Mr. Ransom: Of course I am also at variance with your Honor as to the right to show on the whole period.

The Master: I will not do that.

Mr. Ransom: To be altogether frank with your Honor, the last five years this company has been getting its gas oil very much cheaper than the other companies.

The Master: I know, but they did not touch on those five years. 13557

Mr. Ransom: The last ten years it is likewise very much cheaper.

The Master: But they did not touch on those ten years. They only opened the door as far as they have opened it.

Mr. Ransom: But the charge has been persistently made here that this company has been paying more than others.

The Master: There is not any evidence in this case as to what other companies are paying, at any rate, since 1911—not a thing. If the rec-

ord stands as it is when the case is closed I am going to assume that the defendants could not show that anybody paid any less for their gas oil. I have got to.

Mr. O'Brien: Your Honor has not closed your mind on that, have you?

The Master: If this record stands as it is, Mr. O'Brien, I have not any right to assume that other companies paid less for oil than the Consolidated Gas because you wrap the American flag around yourself once in a while, and, like
13559 Mr. Chambers, make speeches about charts of other companies. I have got to find it on evidence, have I not?

Mr. O'Brien: There are a great many little questions involved in this proposition that you perhaps have not studied on yet.

The Master: For instance?

Mr. O'Brien: To get right down to the basis of it, here is the proposition that you have got to keep constantly in your mind, and they must meet: That William Rockefeller, a member of this executive committee, made these contracts with a company in which it will appear when he
13560 is put upon the witness stand he has got a large interest.

Mr. Ransom: And made them at lower price.

Mr. O'Brien: That does not get you anywhere.

The Master: That has not escaped me for a minute, and will not, but unless Mr. O'Brien or Mr. Chambers or Mr. Clark or Col. Hayward come in here with some direct proof, not with the American flag and not with the terrible picture of Mr. Rockefeller waved in front of me, but some definite proof that other companies have

been buying oil cheaper than the Consolidated Gas Company, I have got to assume there is not any such evidence to be gotten.

Mr. O'Brien: I do not think in the first place he can prove that any other company bought gas within that period from the Standard Oil of New Jersey. That is proposition No. 1. Proposition No. 2: He does not bring in the price paid by the Public Service Corporation of New Jersey over a long period of years. This thing is going to lead out into a number of different directions, your Honor. 13562

The Master: Mr. Ransom has closed his direct-examination. On re-direct he has produced two propositions. One, he has produced in court and had identified by the witness a letter of the Oklahoma Oil Company which was brought out on cross-examination, and upon objection I ruled out the letter, so that all he has there is the statement of the witness that he has the letter in court to which you referred in his cross-examination. He also brought out from the witness an identification of Exhibit No. 347, referred to under cross-examination, a letter from the Texas Oil Company which is identified in my mind by reason 13563 of the fact that the first page is dated June 16th, and the second page July 16th, and there was a good deal of confusion about the letter during cross-examination. That is all that has been brought out on re-direct, except that the witness has testified apropos of the suggestion that he might have stored oil, that it required a tankage of twenty million gallons, and that tankage would require space and the maintenance of tanks. That is all that has been brought out on re-direct.

Mr. Chambers, I will permit you to re-cross examine on those three items.

Mr. Chambers: There is the Seaboard letter.

The Master: Yes, the Seaboard letter.

Mr. Ransom: That also was interrogated upon.

The Master: Yes, the Seaboard letter that Mr. Ramsburg or somebody or other wrote.

Mr. Chambers: That is all.

The Master: Mr. O'Brien, you wanted to ask some questions about Mr. Ramsburg?

By Mr. O'Brien:

13565 Q. Mr. Addicks, Mr. Ramsburg addresses you as "Dear Mr. Addicks."

The Master: That is very suspicious.

Q. Have you known him a great many years?

A. A great many years, yes, sir.

Q. He has been affiliated with gas companies, hasn't he?

A. Yes, sir.

Q. In what capacity?

A. He was with the United Gas & Improvement Company of Philadelphia, I think as assistant engineer of manufacture, or assistant chief engineer, something of that kind.

13566 Q. Do you know how long he was with the U. G. I.?

A. No.

Q. Have you known him intimately?

A. Well, yes, I have known him intimately in a business way.

Q. Was this conversation in a Pullman car or in your office or in his office?

The Master: The conversation referred to in that letter?

Mr. O'Brien: Yes.

A. In my office.

Q. What brought him there?

A. The subject of buying our drip oil, as far as I remember.

Q. In the course of the conversation did it appear you were engaged in this rate case attacking the 80 cent gas law?

A. I don't think it was thought of. It certainly was not by me.

Q. Was it talked of?

A. I don't recall it being talked of or referred to in any way, shape or form.

Q. It is generally known in gas circles that you have 13568
this case pending?

Mr. Ransom: I object to that as not cross-examination.

The Master: I will sustain the objection.

Q. Was Mr. Ramsburg ever employed by the complainant company or any of its affiliated companies?

A. I do not recall such employment.

Q. Was there any attempt made by Mr. Ramsburg, the complainant company, or any of its affiliated companies, to bring about his employment?

A. I do not recall any such thing. I do not believe there was any such thing contemplated in any way, shape or form in any direction. 13569

Q. Do you know whether he buys drip oil or holder oil from any other company?

A. I don't know it, no.

Q. What did he say to you?

A. He said he wanted to use this drip oil in connection with his by-product plant over in the meadows. I assumed what he wanted to use it for.

Q. Where are these meadows?

The Master: You assumed what?

The Witness: I assumed he wanted to get the benzol out of it, because I know he is disposing

of the benzol for motor spirit in connection with his own plant over in the Hackensack Meadows.

Q. Has he got a plant there?

A. Yes, sir; the Seaboard has a very large coke oven plant there.

Q. And they are extracting various by-products from the coke, are they?

A. They extract the by-products; during the war they did extract the benzol, toluol, et cetera, from the coke oven gas, or a portion of it; I don't know about the whole of it.

13571 Q. Does this company do any business with any of the affiliated companies?

A. Does the Seaboard do any business with the affiliated companies?

Q. Yes.

A. I am not sure as to that. I think they have bought some coke from that company.

The Master: You think some of the affiliated companies have bought coke?

The Witness: Yes, either ourselves or the affiliated companies have bought some coke from them. I don't remember which plant bought it.

13572 Q. Can you refresh your memory on that and testify tomorrow?

A. Yes, sir.

The Master: I am not going to have the witness here tomorrow.

Mr. O'Brien: The witness answered "yes," your Honor.

The Master: I answered "yes," too. I made a statement.

Q. Why is it that you cannot recall that matter, Mr. Addicks?

A. Why, we bought certain coke during the last

year or two, and we used certain coke. I was trying to think just what plants have been using it, and I don't remember. I think some was used by the Consolidated Gas Company at 99th Street.

Q. Are you aware of the fact that Mr. Gawtry did not disclose that fact when he was on the stand?

A. No.

Q. Who purchased that coke, you or Mr.Gawtry, for the complainant company, if any?

A. Mr. Gawtry would purchase it.

Q. The Hackensack Meadows have their transit to your plant by what water route? 13574

A. Have their transit?

Q. Yes.

The Master: Transportation.

Q. What transportation is possible?

A. I have forgotten the waterway that runs by their plant. There is a waterway that runs down to Newark Bay—

The Master: Probably around through the Kills and up to the Lower Bay here.

A. I do not recall the waterway at their plant, what it is called; probably it is the Hackensack River, but I won't be positive of that.

Q. Is this a very extensive plant that they have? 13575

Mr. Ransom: Objected to as immaterial.

The Master: The witness has said it is quite a substantial plant.

Q. Are any of the officers or board of directors or executive committee of the complainant company interested in this company as stockholders or officers?

A. I never heard of it.

Q. Did this company do business with you during the war?

Mr. O'Brien: Objected to as not within the scope of cross-examination.

13576 Walter R. Addicks, Re-direct.

The Master: Objection sustained.

Q. Didn't he outline to you the facilities they had, in the conversations you had with him?

A. He said he would have to put up additional apparatus, in order to purchase our material he would have to be guaranteed for a period of time for purchases, and I object to making a purchase further than the year 1918.

Q. What brought him there, to the gas office? Did you invite him?

A. I do not recall inviting him; I think he came of
13577 his own accord.

Q. Do you know whether anybody else suggested his coming to you, or any of your officers or employees?

A. No, sir.

Q. Does he do any other kind of business with the complainant company?

A. None except what I have mentioned.

Q. Didn't he know that you were selling this to the Barrett Company for a number of years?

A. I don't know whether he knew it or not.

Q. Did he tell him that they had for years back, and their fathers before them, enjoyed this contract
13578 with the complainant?

A. I don't remember telling him that. He knew I was dealing with the Barrett Company in regard to these matters generally, but how far back I don't know.

The Master: He was trying to get you to sell the stuff to him instead of the Barrett Company, wasn't he?

The Witness: He was asking me to sell the stuff to him.

The Master: And drip oil?

The Witness: Only the drip oil, nothing but this one particular product, which is a matter of holder oil or drip oil.

Q. Did you tell him in the course of that conversation what they had been paying to you?

A. No, I do not recall telling him that.

Q. Didn't it come out in the conversation?

A. I don't recall such a thing.

Q. Was it generally known what the Barrett Company was paying?

Mr. Ransom: I object to this as not re-cross examination. These are matters that were brought out on cross-examination. They went into this conversation to some extent, and it was a matter that he had a right to go into fully on 13580
cross.

The Master: I will give him a little latitude on this.

A. It was well known that the price of drip oil the year before had been materially higher than this.

Q. How do you explain his going to the trouble of writing this letter to you when you know that he knew what the Barrett Company was paying to you?

A. I don't think he knew anything about what the Barrett Company was paying at the time, because the Barrett Company was not paying anything at that time.

13581

The Master: Was there a suggestion when he left that he write you on the subject?

The Witness: I think there was, but no suggestion in regard to a several years contract at the time.

Q. Well now, when you consider what a big company yours is, and the fact that it was at the time of this alleged conversation engaged in a rate case, would not business-like tactics require that you reduce your part of it to writing?

The Master: I will sustain the objection to that.

13582. Walter R. Addicks, Re-direct.

Mr. Ransom: They made an offer and the offer was lower than the price gotten from the Barrett Company, and it was not taken.

The Master: I sustained the objection.

Mr. O'Brien: Exception.

Q. Did you know at the time you had your conversations with Mr. Ramsburg what the Barrett Company were offering you on the new proposition?

Mr. Ransom: Why, that was all gone into on cross.

Mr. O'Brien: Why not let the truth come
13583 out, and let it stand for what it is worth on the record?

A. At the time I had the conversations I did not know of the Barrett 5 1/2 cent proposition.

Q. Had you already written to the Barrett Company or communicated with them telling them that you wanted their new price?

A. I had had conversations with Mr. McElravy at a prior time with regard to the question of drip oil and water gas tar.

Q. In these conversations had he indicated what they were ready to pay?

A. Yes.

13584 Q. Then you knew that at the time you were talking with Mr. Ramsburg?

A. Yes.

Q. Did you tell Mr. Ramsburg that?

A. I don't believe I did.

Q. Did he make any tentative offer while he was conversing with you on the subject?

A. I don't think he did.

Q. Did you lay down any conditions that you had in the Barrett contract on this subject?

A. No.

Q. When you asked him or encouraged him to

bid don't you think it would have been the proper thing to tell him all the conditions that you were going to require in the contract?

Mr. Ransom: I object to that.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Why did you withhold from Mr. Ramsburg the various conditions of the Barrett contract?

Mr. Ransom: I object to that as not re-cross examination. There was no withholding.

The Master: I will allow it.

A. I did not intentionally withhold any particular 13586
matters in regard to the Barrett contract. I think some question did arise, when I come to think of it, with respect to the distillation, and he refers to it there in his letter. Mr. Ramsburg is a man of experience who understands all about the handling of this thing from the beginning to the end.

Q. Why wasn't he prepared to tell you in the conversation what he would pay you for it? Why did it become necessary for him to go back to his office to write a letter?

A. I don't know, and I don't remember the situation.

Q. Did he come back to you after he sent this 13587
to find out whether you were going to accept it or not?

A. Yes, he did, and I had a conversation with him in regard to it, and he discussed this question of three years, and he would not receive from a period over one year, and I would not deal with him on that basis.

Q. Why wouldn't you give him a contract for three years?

A. Because I was hoping that next year I might be able to distill this material myself and get an addi-

13588 Walter R. Addicks, Re-direct.

tional profit for the Consolidated Gas Company by so doing.

Q. Are you still entertaining hope along that line?

A. I am still entertaining hope along that line.

Q. In the belief that it may be a money-making proposition to the complainant company?

A. In the belief that I may have apparatus possibly next year that will enable me to do it. That is the reason I did not make another year's contract.

Q. The contract was for what term with the Barrett Company?

13589 A. To the 31st day of this December.

Q. Was there any promise made to the Barrett Company that it would be renewed at that time?

A. Absolutely none.

The Master: And it will not be if you decide to distill it yourself?

The Witness: It will not be, either with the Barrett Company or the Seaboard Company.

The Master: Or anybody else?

The Witness: Or anybody else. If I can make more money for the company by distilling it ourselves and selling the product it will be done.

13590 Q. Is there anybody else connected with the company working on that proposition?

A. We have considered that proposition.

The Master: Who else?

The Witness: I think Mr. Morris has considered the proposition, and I think Mr. Morris has consulted Mr. Woods, but I won't be positive that he has consulted Mr. Woods, on the question of the possibility of using some stills to distill this product, and dispose of the by-products, or rather the constituent products, not the by-products.

Q. Did you talk with Mr. Woods before you made the last contract with the Barrett Company?

A. No, I don't remember doing so. I did it on my own judgment entirely.

The Master: I will not let you go back to the Barrett Company.

Q. When you had the conversations with Mr. Ramsburg, was it understood that he would make an offer for the drip or holder oil of all the companies affiliated with the complainant company?

A. No, he made that general offer to me, and I think that he knew something of the volume of drip 13592
oil we had, and I now recall another matter, and that is that I furnished him with samples of drip oil that we had at that time, which he considered before he wrote that letter.

Q. Did he have in his mind, or from what you said to him, the possibility of getting the whole of the output of this by-product from your company and affiliated companies?

A. That is what I thought he was talking about.

Q. Did you assume that the letter was written by him with that assumption?

A. I think so, yes, sir. I think the fact that he had to have additional apparatus would clearly indi- 13593
cate it.

Q. You note here that he says, "as we have a considerable quantity of this material offered to us," and so on, in his letter?

A. Yes.

Q. Did he tell you that he was getting this material from any companies around New York Harbor?

A. No, I don't recall that.

Q. Do you know whether he is getting any from the Public Service Corporation of New Jersey?

A. I do not.

13594 Walter R. Addicks, Re-direct.

Q. Do you know whether he gets any from the Brooklyn Union Gas Company?

A. I do not know.

Q. Or the Kings County Lighting Company?

A. I do not know.

Q. Have you given the Barrett Company any form or character of option on another contract?

A. Absolutely none in any way, shape or form. The contract is to the 31st day of December, and it ends there.

The Master: I am not going to take any more
13595 testimony about the Barrett contract. This cross must be limited to this letter.

Mr. O'Brien: It works in here with this.

The Master: The witness has answered the question, so there is nothing for me to rule on, but I will not permit any more questions.

Q. Did you make it clear to him that no company could get an option for a longer term than a year?

A. I told him exactly why I would not do it, and for the seame reason that I have given you now.

Q. Did he tell you that they were making profit out of that business over there?

Mr. Ransom: I object to that.

13596 The Master: Objection sustained.

Q. I read you the last three lines of this letter: "I need not point out to you that with a large plant on straight water delivery from your plant, that we are the logical people to deal with on this material." Do you understand the reasoning there?

A. No.

Q. Are not the Barrett Company located on straight water delivery from your plant?

A. Yes.

Q. How do you explain that last sentence then, if he knows all about the Barrett Company and the

price they had been previously paying and where they were located?

A. I do not undertake to explain it.

Q. Then you do not agree with him that he was the logical people?

Mr. Ransom: I object to the question.

The Master: Objection sustained.

Q. Have they a larger plant than the Barrett Company?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Have you ever been to the plant of the Seaboard By-Products Coke Company? 13598

A. I have.

Q. In connection with this contract?

A. No.

Q. This offer?

A. No.

Q. How long ago?

A. When I was looking into the coke oven plant, new plant, and I inspected it, and inspected the by-products plant, which takes the benzol out of this material.

Q. Were you considering the question of adopting the coke oven process to make gas? 13599

Mr. Ransom: Objected to as incompetent, irrelevant and immaterial, and not within the scope of cross-examination.

The Master: I will allow this one question.

Mr. Ransom: Exception.

A. I was informing myself in regard to the latest type of coke oven plant that it was within my ability to see, having been previously a consulting engineer for another coke oven plant, and I was interested in knowing what progress they had made in coke ovens.

13600 Walter R. Addicks, Re-direct.

Q. Did you have a thought that you might find reason to adopt such process for the complainant company?

Mr. Ransom: That is objected to.

The Master: I will take it.

Mr. Ransom: Exception.

A. I think I stated on my direct that years ago all those matters were considered as to a coke oven plant before the Astoria plant was built.

Q. I mean when you examined this plant did you have this in mind?

13601 A. No—I know that we have considered coke oven plants repeatedly in the last fifteen years.

Q. You mean you have been keeping abreast with the developments along that line?

A. Yes, sir.

Q. About when was that inspection made of the Ramsburg plant?

A. Some short time after it was started. It has not been there a great many years.

Q. Three years?

A. I should say about three years ago that I was there. It is rather hard since the war to locate the exact time.

13602 Q. About three years?

A. I should think about three years ago when I was there.

Q. Did you consider the possibility of this company being able to make a contract with you that would give you some consideration to offset the difference in price between its price and the Barrett Company's price?

Mr. Ransom: I object to the question.

The Master: I will take the answer.

Mr. Ransom: Exception.

The Master: Was there any basis for con-

sidering any such possibility of getting some consideration from the Ramsburg Company, which would make up for the variance of one-half cent?

Mr. Ransom: I object to it on the further ground that he has specifically said the reason he would not do anything with them was on the ground that they wanted a term contract.

The Master: I will take the answer to this one question.

A. There was nothing between the Barrett Company and the Seaboard Company. The only point 13604
that made it absolutely unwise in my judgment to make a contract with them was the question of a term of years. If I had not had in view the possibility of handling this material myself I might have gone further in the whole question, but having in mind the possibility, not the probability but the possibility of handling it myself, I thought it was not good business to make a contract for a longer period than the 31st of December of this year, and let the matter of a new contract for 1912 take care of itself.

The Master: I don't think I will take any more of that.

13605

Mr. Ransom: It involves only $27,000.

The Master: I think we have exhausted that.

Q. Are you still buying coke from them?

Mr. Ransom: I object to that. Mr. Gawtry made reference to their once buying coke from them.

The Master: I will take that.

A. I don't know the situation with regard to any coke contract with that concern, and I cannot answer that question.

Q. Are they producing any materials, either benzol

13606 Walter R. Addicks, Re-direct.

or any other material that you might purchase from them?

Mr. Ransom: I object to the question as not within the scope of re-cross examination.

The Master: I will sustain the objection.

Mr. O'Brien: Exception.

Q. Do you purchase any other material from them beside coke?

The Master: Objection sustained.

Q. Did you look into their financial responsibility?

The Master: Objection sustained.

13607 Mr. O'Brien: Exception.

Q. Do you see Mr. Ramsburg often?

The Master: Objection sustained.

Mr. O'Brien: Now, your Honor, in regard to the testimony of the witness on re-direct on the question of oil storage there are a number of questions I want to ask on that.

The Master: Go ahead.

Mr. O'Brien: I had in mind that your Honor limited the examination.

The Master: Go ahead. I don't see that there is any question that I will allow you to ask.

Mr. O'Brien: Permit me to ask them, and
13608 I will assume that you are objecting to them, and I am noting my exception as we go along.

The Master: I don't want to waste time.

Mr. O'Brien: But the record ought to be made. It is a vital matter.

The Master: All I permitted the witness to say was a self-evident fact, that in order to store oil, they would have to have tanks; in order to have tankage they have to have room; in order to have tankage they have to have tanks, and have to build them and pay for them and maintain them. I do not see any possibility of

any question on cross that I am going to allow.

Mr. O'Brien: But you see, your Honor, we are willy-nilly right in on the proposition as to whether or not this company could not have derived a very material advantage to itself and to its consumers by having the capacity to buy and store a large amount of oil.

The Master: I won't allow any question on that.

Mr. O'Brien: Thus enabling it to purchase oil while the price was low. 13610

The Master: I think my view is fully expressed on the record. If there is any question you want to ask to make your record complete, you can ask it. I am telling you now I do not see any possibility of any questions that can be asked. You brought out some matter on cross, and I limited Judge Ransom very closely in his re-direct, and I do not see anything more to be asked.

Mr. O'Brien: Well, in spite of your limitations, your Honor, I cannot get away from the idea that this is a matter that must be covered by expert testimony. 13611

The Master: Well, it won't be covered now by any cross.

Mr. O'Brien: And it having been opened up by the condensed question that your Honor put to the witness, some six or seven questions that cover a great deal of matter that ought to be explained.

The Master: If you have any question, ask it and I will rule on it.

Q. When did you last take up that study of the cost of storage tanks?

The Master: Objection sustained.

Q. To store a sufficiently large quantity of oil to meet the wants of the company?

The Master: Objection sustained. I have not let the witness testify to any cost.

Mr. O'Brien: Exception.

Q. How many gas holders has the complainant gas company which are not being used for the storage of gas?

Mr. Ransom: Same objection.

The Master: Objection sustained as fully covered.

13613 Q. Is it not a fact, Mr. Addicks, that at the 42nd Street plant there are a large number of gas holders which hold little or no gas?

The Master: Objection sustained; fully covered.

Mr. O'Brien: Exception.

Q. Is it not a fact that these holders could be used to store oil?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Could not a holder for oil be built upon the property at Sedgwick Avenue and Fordham Road, sufficient to hold a large quantity of oil?

13614 The Master: Same ruling. Of course there could. You don't have to prove that. I know that.

Mr. Ransom: You could build it in Central Park.

The Master: I could infer that from the record. They have a big open space there where there is a tennis court.

Mr. Ransom: You better wait until you see what it looks like.

Mr. O'Brien: I don't care how it looks; you can level it off, blast out the rocks.

Mr. Ransom: You could start to level the Palisades.

The Master: Of course, you can, if you stick at it long enough.

Mr. Ransom: Build it in Central Park, if you get a permit, or City Hall Park.

Mr. O'Brien: This monologue is going on the record.

The Master: It is good monologue to have in the record. I want the record to show that of course, they have a lot of land, it is simply a question of expense, but you do not have to 13616 prove it by this witness. It is proved already.

Q. Has Mr. Woods ever taken up the question of the cost of erecting holders or tanks sufficient to hold enough oil to keep the company supplied for a long term, to enable you to get away from the condition which led you to buy oil from the Standard Oil Company of New Jersey?

Mr. Ransom: I object to it as already covered.

The Master: Same ruling.

Q. Has Mr. Bradley gone into that subject within the last eight or ten years?

The Master: Same ruling. 13617

Q. Has Mr. W. Cullen Morris been consulted upon that proposition?

Mr. Ransom: I object as not re-cross. It is just a running argument.

The Master: Same ruling.

Q. Has any other employee of the complainant company, or affiliated companies, been asked to make an investigation into that subject with a view to determining how much money might be saved to the company by adopting a plant of that kind with permanent gas oil holders of a very large capacity?

The Master: Same ruling.

13618 Walter R. Addicks, Re-direct.

Mr. O'Brien: Exception.

Q. Have you ever asked such companies as the Bartlett-Hayward Company to give you an estimate upon the cost of erecting holders of a size sufficient to carry the oil we have mentioned?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Has this question ever been discussed with the officers of the affiliated companies with a view to pooling their common interests and their requirements in the matter of gas oil so that a large storage of
13619 gas oil might be had and the company protected against the rising price in oil?

The Master: Same ruling.

Mr. O'Brien: Exception.

The Master: How about their penalizing themselves by loading up and having a drop in the market? That is not the way to tell what it costs to make gas.

Mr. O'Brien: Judge Ransom still wants to put in that extra testimony. I would like to have your Honor indicate to me what is really cross-examination, in the face of your limitations upon it.

13620 The Master: I have tried to tell you, Mr. O'Brien, and I do not think there is a single question you can ask that I will allow, which is the cross of this re-direct.

Mr. O'Brien: If that is your view I might as well sit down.

The Master: I told you there was not a question I would allow, probably.

Mr. O'Brien: I did not understand it that way. Am I to understand that your Honor would not hold any kind of a question as proper cross-examination of the witness on the question of gas oil storage?

13621

The Master: In view of the limitations I put upon the re-direct, I do not think there is possibly a question I would allow.

Mr. O'Brien: There is not anything left, your Honor, for me now.

The Master: When this cross-examination started I tried to indicate to you gentlemen that I did not think there was anything to be asked; but you wanted to ask about Mr. Ramsberg, you thought he had some intimate relation. You are excused, Mr. Addicks, and in order to be sure that your cross-examination is finished, we will call Mr. Woods, to be called to the stand for one question.

13622

Mr. Ransom: You directed me to produce Mr. Armstrong, and he is here.

The Master: Call Mr. Armstrong then. We will take him.

JOHN H. N. ARMSTRONG, called as a witness in behalf of the complainant, being duly sworn, testifies as follows:

13623

By the Master:

Q. What is your position with the Consolidated Gas Company?

A. Comptroller.

Adjourned to Wednesday, October 15, 1919, at 9 A. M., in Room 337, Post Office Building, New York City.

Last Complainant's Exhibit No. 347.

Last Defendants' Exhibit MM.

CONSOLIDATED GAS COMPANY OF NEW YORK vs. NEWTON, ETC., *et al.* 13627

Before ABRAHAM S. GILBERT, Special Master.

NEW YORK, October 15, 1919.

Met pursuant to adjournment at Room 337, U. S. Court, House Building, New York City.

Present: MR. RANSOM, MR. VILAS and MR. GOETZ, of Counsel for Complainant.
MR. CHAMBERS, of Counsel for defendant Newton. 13628
MR. HAYWARD, MR. CLARK and MR. NEUMANN, of Counsel for Public Service Commission.
MR. O'BRIEN, of Counsel for defendant Swann.

JOHN H. N. ARMSTRONG, resumed the stand.

DIRECT-EXAMINATION BY MR. RANSOM:

Q. Mr. Armstrong, how long have you been connected with the complainant, the Consolidated Gas Company? 13629

A. Twenty years.

Q. And you are in its accounting department?

A. Yes, sir.

Q. And your title is that of comptroller?

A. Yes, sir.

Q. During the period of toluol extraction by the United States government, did you in the ordinary course of your duties have oversight over the sending

out of bills and the other accounting aspects of those matters?

A. Yes, sir, I did.

Mr. Ransom: I produce this witness in pursuance of the request of the defendant's counsel and in pursuance of your Honor's direction. There was a specific question which your Honor indicated should be asked him.

The Master: Why don't you ask it?

Q. Were bills prepared by the accounting department under your direction and sent to the United
13631 States government covering the volume of gas lost in and by reason of the extraction of toluol?

A. Yes, sir, there were.

Q. And you are familiar with those bills?

A. Yes, sir, I am.

Q. And the basis on which they were made up?

A. Yes, sir.

Q. How many cubic feet of gas were billed to the government by the complainant?

A. There were billed to the government from the 21st Street plant 24,820,240 cubic feet; from the 99th Street plant, 1,544,000 cubic feet.

13632 Q. Are those the figures solely—

The Master (interrupting): Thousand cubic feet or cubic foot?

Q. Are those the figures comprising solely the amount billed or loss of volume of gas?

A. Yes, sir.

Q. There was some small quantity that was furnished through regular metered channels?

A. Yes, sir, that is right.

Q. But these figures do not include that?

A. No, they do not.

Q. The amount furnished to the laboratory was billed at 80 cents?

A. Right.

Mr. Chambers: The amount that was billed the laboratory?

Q. The amount that was used in the laboratory was metered in the usual way as to a private consumer?

A. Right.

Mr. Chambers: That is you did not clear that up. You charged the government 80 cents for what they used?

The Witness: For what they used in the laboratory. 13634

The Master: From the meter.

Q. Was that a very small quantity?

A. A very small quantity, yes, sir.

Mr. Chambers: How much was it?

Q. Do you know how much?

A. $582 worth.

Mr. Chambers: How many cubic feet?

Q. Figure that?

A. I have not figured it.

Q. I asked at what price or prices per thousand cubic feet was the loss in gas volume billed?

A. The gas taken from the 21st Street Station was billed at .5533 cents per thousand. 13635

Mr. Chambers: .5533.

The Witness: Yes.

Q. That was the price on all months, or the average price for the whole period?

A. That was the average price for the total quantity taken.

Q. What were the ranges of prices by months during the period of toluol extraction?

A. Do you want each month?

Q. Yes.

Mr. Chambers: Go slowly, will you, please?

The Witness: April—

The Master (interrupting): He has got it tabulated, and can give you a copy.

Mr. Chambers: I can take it right down here.

The Witness: April, .5241; May, .5569; June, .5287; July, .5353; August, .5718; September, .5395; October, .5630; November, .5773; average, .5533.

Q. That is the weighted average as to 21st Street for the entire quantity?

A. Yes, sir.

13637 The Master: How were those figures arrived at, Mr. Armstrong?

The Witness: That was based on the station cost less any distributing cost or gas storage cost plus a charge for insurance, taxes, renewals and investment in plant—interest on investment in plant.

The Master: Have you got those calculations with you?

The Witness: Yes, sir.

Q. That is to say, in the first instance the starting point was what you referred to as station cost?

A. Yes, sir.

13638 Q. That is cost of manufacture without including the item known as gas storage?

A. Yes, sir.

Q. By gas storage is meant the operating expenses in connection with holders, apart from plant, and the like?

A. The outlying districts.

Mr. Chambers: Perhaps I ought to note an objection, or not really an objection but our position that this is not proof of the cost of gas.

The Master: No, it is only proof of what they charged the government.

Mr. Chambers: Yes, with that limitation.

The Master: Yes. I wanted to see how they made it up, how they arrived at it. Have you a tabulation prepared on that?

The Witness: I have the figures here showing the amount charged for each of those items.

The Master: Well, that would give me, I think, what I want.

Q. That is to say, in the first place you made up the computations of the station cost?

A. Yes, sir.

Q. And to that was added a computation or the result of a computation or the part of renewals and replacements attributable merely to the 21st Street plant? 13640

A. Yes, sir.

The Master: Let me ask one or two questions, to see if you can't get this clear so as to have a basis for discussion?

By the Master:

Q. On this tabulation that you prepared marked Consolidated Gas Company, New York, 21st Street Station, the first column was the month and year?

A. Yes, sir.

Q. The second says, "Amount." What does that mean? 13641

A. That is the station cost.

Mr. Clark: Are we to have copies of that?

The Master: There are three copies, Mr. Chambers has one.

Mr. Ransom: I have not yet offered it in evidence, but if your Honor is willing to take it I will offer it.

The Master: I think it may be a helpful thing to have, after I see just what it is.

Q. The first column, you say, is station cost?

A. Yes, sir.

Q. $540.12, for instance, in April?

A. I haven't a copy of that here. Yes, sir, that is the station cost.

Q. How was that arrived at?

A. That is the cost of gas production at the station.

Q. How do you know that?

A. It is taken from the ledger.

Q. Well, is there a station ledger that shows just what those figures are?

A. All of those items are in our operating ledger.

Q. What items make that up?

13643 A. Labor employed, material used, less residuals produced, cost of repairs and the works expense.

Q. How can you tell just what the labor cost was for the month of April?

A. By our ledger. The labor is all charged, 21st Street gas production labor is all charged in the ledger.

Q. For the month of April?

A. Yes, sir.

Q. In other words all of the items making up this $540.12 will appear in the operating ledger somewhere?

A. Not in that specific amount, no.

Q. In different places?

13644 A. Let me explain that. The cost per thousand as shown there is the cost per thousand to the company in manufacturing gas, and that cost per thousand is applied to the loss in gas volume.

Q. What I am trying to get at is, I would like to have the exact figures that make up this $540.12?

A. I cannot give that. Well, the portion of that $540.12 which is labor, and that which is material, is buried in the company's cost of manufacture. We first arrive at our cost of manufacture per thousand.

Q. Well, haven't you got anywhere the figures from which you made up this total of $540.12?

Mr. Ransom: You mean in court?

The Witness: No, I have not.

Q. Have you got it at the office?

A. Yes, sir.

Mr. Ransom: Well, that is in the books that I have. And what did you find the—

The Master: Wait a minute.

Mr. Ransom: I think I can clear that up very readily.

The Master: No. Here is what is in my mind—

Mr. Ransom (interrupting): I think you are 13646
under a misapprehension.

The Master: No, I am not under any misapprehension at all. Mr. Armstrong shows us here the cost to the company for April, 1916, of the amount taken by the government as $540.12?

The Witness: Yes, sir.

Q. That was at the rate of .4133 per thousand?

A. Yes, sir.

Q. Now, what I would like to have is his figures which show how he made up that .4133 per thousand?

Mr. Ransom: Well, we can readily give that. Of course, what this is, that is the entire—that 13647
is the station cost of all the gas made at that plant in April, as shown by the Operating Ledger and other books.

The Master: I know what it is.

Mr. Ransom: Divided by the total make and send-out of the plant.

The Master: I know what it is, Mr. Ransom.

The Witness: That would be the total cost to the company divided by the total make.

The Master: I know how it is made up, but I would like to get those detailed figures, and he ought to have them. He could not get up

these figures unless he had the details somewhere.

Mr. Ransom: Well, they have that.

The Master: That is what I said, I would like to have them.

Mr. Ransom: We will have them.

Q. The next column is the cost per thousand; that is simply the $540.12 divided by the number of thousand cubic feet, isn't it?

A. No, sir, that is the gas the government took multiplied by that.

Q. If you divide $541 by .4133, you will get the
13649 number of feet used?

A. The last column.

Q. Only that portion, if you multiply this by the cost, you—

A. (Interrupting.) You get $540.

The Master: That is what I say.

Mr. Chambers: Isn't that .4133 the cost at the holder?

The Witness: Which figures are those?

Mr. Chambers: .4133.

The Witness: That is the station cost, yes.

Q. What is the next column, $11.50, renewals and
13650 replacements?

A. That is the portion of the renewals and replacements applicable to the plant and withdrawals. That is a charge for withdrawal at the plant.

Q. How do you make that up?

A. That is based on a rate per thousand which was testified to in the 80-cent gas case.

Q. That is the 3 per cent renewals and replacements?

A. Yes, sir.

Q. Was split up to find what part was applicable to the 21st Street plant alone?

A. Yes, sir.

Q. Or 3 cents per thousand of make, that is the figure of 3 cents per thousand feet of make?

A. Of sale.

Q. And that 3 cents was split up to ascertain what part of the 3 cents per thousand feet of gas sold was applicable to renewals and replacements at plants?

A. Yes, sir.

Q. At the 21st Street plant alone?

A. Yes, sir.

Q. So that this figure of .0088 per thousand cubic feet, contained in the fifth column, is the prorate of the three cents per thousand cubic feet of gas sold by 13652
the company, which is applicable to renewals and replacements at the 21st Street plant alone?

A. Yes, sir.

Q. And this three cents per thousand cubic feet is still set aside by the company?

A. Yes, sir.

Mr. Chambers: I don't see where he gets the three cents.

The Master: He says he took that upon the the basis of the testimony given in the eighty cent gas case. In other words, he says that is their practice, that is what they figure.

Mr. Clark: It is an arbitrary figure. 13653

The Master: The witness has said that they arbitrarily take three cents per thousand cubic foot as the figure which will represent renewals and replacements, in their judgment.

Mr. Chambers: Oh, I see; just an estimate.

The Witness: That is the amount that we now charge in our account.

Q. Under the Public Service Commission rule?

A. Yes, sir.

By Mr. Chambers:

Q. It is an estimate, is it?

A. Yes, an estimate.

By Mr. Ransom:

Q. Well, it is an estimate based on facts?

A. Based on facts, yes, sir.

Mr. Chambers: I move to strike that out.

The Master: Every estimate is based on some fact.

The Witness: It is based on fact.

Mr. Chambers: But it is an estimate.

The Master: It still remains an estimate.

Mr. Chambers: I don't think he can testify

13655 that it is based on fact.

The Witness: It is based on the cost of withdrawals for a number of years.

Mr. Chambers: It is improper for the witness to make a statement and then say it is based on facts.

Q. It is sustained by the average over a number of years?

A. Yes, sir.

Q. And in the prior 80 cent gas case there was worked out a division of this three cents per thousand cubic feet of gas sold?

A. Yes, sir.

13656

Mr. Chambers: I object to what was done in the prior case.

The Master: Well, why didn't you object to it?

Mr. Chambers: I was waiting for him to finish the question.

The Master: You waited until there was an answer and another question was begun. I will let it stand.

Mr. Chambers: I move to strike it out.

The Master: No, I will not do that.

Mr. Chambers: On the ground that there was not time.

The Master: No, I will not do it.

Mr. Chambers: I suggest that you admonish the witness not to answer until we have time to object.

The Master: No, you had lots of time.

Mr. Chambers: Because there was not time to hear what was being said.

Q. How was the portion of insurance applicable to the 21st Street plant, and the part of its make used by the goverment ascertained?

A. We took the amount of insurance carried on the 21st Street plant and multiplied that by the rate 13658
for 1918 and arrived at the insurance premium, and that we divided by the average make for a period of six years, arriving at .15. That was applied uniformly to the charge to the government.

Q. That is, to the cost of insurance, you applied the annual average make for a period of six years?

A. Yes, sir.

Q. And that gave you a rate of cost per thousand cubic feet.

The Master: You are simply repeating what he said.

By the Master:

Q. Now taxes—did you take the actual taxes on the 13659
21st Street plant?

A. Yes, sir.

Q. And you apportioned that based on the make for six years?

A. Yes, sir.

Q. Interest on investment—what rate of interest did you take?

A. Six per cent.

Q. Where did you get your investment figure?

A. The investment was that reported to the State Tax Board as of December 31, 1917, the last year prior to the operation.

13660 John H. N. Armstrong, Direct.

Q. That is your book investment?

A. Yes, sir.

Q. That is what you carry on your books as the investment for that plant?

A. No, I don't believe it is.

Q. What is it?

A. That is the reproduction cost.

Q. So it differs from what you carry on your books?

A. Yes, sir.

Q. It is what you claim to be the reproduction cost?

A. Yes, sir.

13661 Mr. Ransom: The variance is very slight.

The Master: I don't care how slight the variance is, I want to make sure as to just what the basis of the charge is.

By Mr. Ransom:

Q. This is made on the basis of the State Tax Commission figures?

A. Yes, sir.

Q. Bills and the computations on which the bills were made up, were they submitted to the government accountants and auditors?

A. Yes, sir.

Q. And you submitted the underlying data?

13662 A. Yes, sir.

Mr. O'Brien: If your Honor please, I did not hear that statement.

Mr. Chambers: He said that the bills and the underlying data were submitted to the government accountants.

Mr. O'Brien: I want to object—

Mr. Ransom: This witness was called at their request.

Mr. O'Brien: Called at whose request?

Mr. Ransom: I will call attention to what the record says, at page 1212:

"By Mr. Chambers:

"Q. Who besides yourself worked on the cost of gas in the holder?

"A. I think Mr. Armstrong worked on that question.

"Q. Mr. Armstrong of your company?

"A. Yes, sir."

Then there was some colloquy, and then the Master said: "Do you want Mr. Armstrong, do you want to call him?

"Mr. Chambers: Yes, of course I want to follow that up.

"Mr. Ransom: Mr. Armstrong will be called if it is desired. 13664

"Mr. O'Brien: Well, I think you ought to put on the man that really made up these figures, and give us a chance to examine them.

"The Master: What is in my mind, O'Brien is that you may be sorry that you insist on it."

And the Master said: "Oh, yes, if you request that this witness be called I am going to give a good deal of weight to it."

Mr. O'Brien: Who was it said he would be sorry?

Mr. Ransom: The Master said you would be sorry. 13665

And then the Master says: "My guess is that when Mr. Armstrong is called and is asked the direct question, how much did you figure that gas cost, and how much did you charge the government, you will object to it, and I will probably have to sustain the objection. That is my guess."

And then the Master said: "Yes, I am going to direct Mr. Ransom to produce Mr. Armstrong and ask him that question.

"Mr. Chambers: We want to find out what was charged to the government, and I want to know it now.

"The Master: I am curious to see if he is called and asked the direct question, whether you gentlemen object."

There is the witness.

Mr. Chambers: I didn't ask for the witness. You can see I was very careful there, I did not ask that anyone be called.

The Master: Well, I am a pretty good guesser. Go on ask your next question.

Mr. O'Brien: It only bears out what I have been contending for right along, neither Mr
13667 Addicks nor Mr. Gawtry nor Mr. Teele nor Mr. Brundage know of the matters to which they have been called to testify, and in every instance we ought to have first the bookkeeper and the superintendents of the works, and superintendents of commerical offices; in the second instance we ought to have the chief purchasing officer under Gawtry, because he is only a rubber stamp, and in the case of Mr. Addicks, we ought to have had the men who know directly of these expenditures and could explain them in detail with their underlying data.

The Master: Next question, Judge Ransom.

13668 Mr. O'Brien: It is plain to me that the witness has been produced to fill in a gap that they realized, on second thought existed in the case.

The Master: Anything else?

Mr. Ransom: This tabulation or this summary of the witness's testimony I shall offer in evidence.

The Master: Any objection, gentlemen?

Mr. Chambers: Yes, I object to it on the ground that it is incompetent. Let the witness testify to the facts.

Mr. O'Brien: Same objection, as incompetent, irrelevant and immaterial.

The Master: I am going to take it; mark it in evidence.

Statement received in evidence and marked Complainant's Exhibit 348.

Mr. O'Brien: Will your Honor permit me to ask some questions about this?

The Master: I think Judge Ransom is through, aren't you?

Mr. Ransom: I have no questions.

Mr. O'Brien: I wanted to ask the witness preliminary to your passing upon our objections.

The Master: I have already passed on it. 13670
If anything develops on the cross-examination that you think justifies an additional ground of objection, or a motion to strike it out, I will hear it.

Mr. O'Brien: I submit that it is very hard to go into this matter without having a copy of it.

Mr. Ransom: There was no intent on the part of the complainant to produce it.

The Master: I can understand that the witness was not told to make a number of copies.

Mr. Ransom: I never saw this paper until this morning, and did not know there was such a paper in existence.

The Master: I think I was the one who 13671
brought it out. I noticed it in the witness's hand and called for it. I thought it was the best way to get the information.

Mr. Chambers: The exhibit I am trying to find is the one with the charge made to the government.

CROSS-EXAMINATION BY MR. CHAMBERS:

Q. Mr. Armstrong, you are the comptroller of the complainant company?

A. Yes, sir.

Q. And you have been how many years?

A. Twenty years with the company.

Q. And what is your salary?

Mr. Ransom: I object to the question. It is immaterial and incompetent.

The Master: I am going to sustain the objection. I do not think it is any of your business what his salary is.

Mr. Chambers: Yes, where we can show his interest in testifying.

The Master: I do not like to sustain the ob-

13673 jection, because I know it does not make any difference.

Mr. Chambers: I am going to find out every salary of every man who comes here.

The Master: I do not like the intimation that because Mr. Armstrong is earning two or five or ten thousand dollars a year, he is going to lie about the figures. But, all right, what is your salary?

Mr. Ransom: Exception.

A. $4,750 per annum.

Q. You computed the item loss in gas volume on Exhibit 344, did you?

13674 A. Yes, sir.

Q. That is the item you have been testifying about?

A. Yes, sir.

Q. Speaking of the item $13,732.24 on that Exhibit 344?

A. Yes, sir.

Q. As to the 99th Street Station, the charge for loss in gas volume was $895.05?

A. Yes, sir.

Q. And also shown on this same exhibit?

The Master: It is not on Exhibit 348, though.

Mr. Chambers: No, on Exhibit 344. On this same Exhibit 344?

A. Yes, sir.

Q. You computed that, did you?

A. Yes, sir.

The Master: But the witness has not testified to that heretofore. Why did you not finish 99th Street while you were at it, Mr. Ransom?

By Mr. Ransom:

Q. Did you in a similar way, the accounting department, compute and send it?

Mr. O'Brien: Make the question clear, whether you mean him or the accounting department. It is important, you know, these things. 13676

The Master: Let me interrupt you.

By the Master:

Q. You checked these yourself?

A. Yes, sir, I did, certainly.

Q. Did you do the same thing for 99th Street?

A. Yes, sir, I did.

Mr. Ransom: You personally made this up?

The Witness: I personally checked every one of those calculations, yes.

Q. Your testimony is that those are the correct figures as set forth?

A. Yes, sir.

Q. And that amount of 1,544,000 feet loss in gas 13677
volume is correct?

A. Yes

Q. And the amount was $895.05?

A. Right.

Q. The cost was .5797, or the charge, or that is the average?

A. The average charge to the government.

Q. And the range per month is as set forth in this paper?

A. Yes, sir.

Mr. Ransom: This correctly reflects the bills to the government?

13678 John H. N. Armstrong, Cross.

The Witness: Yes, sir.

Q. It is an exact statement of the bills rendered to the government?

A. Yes, sir.

By Mr. Ransom:

Q. The bills to the government were made up on the same basis as the bills in reference to 21st Street?

A. Yes, sir.

Q. With the figures, of course, differing?

A. Yes.

Mr. Ransom: I offer that in evidence.

13679 Mr. Chambers: Same objection.

The Master: Yes, the same objections are noted.

Mr. O'Brien: I would like to have the privilege of asking the witness some questions preliminary to my making objection to the paper.

The Master: No, objection is overruled, and it will be marked Exhibit 349.

Marked Complainant's Exhibit No. 349.

By Mr. Chambers:

Q. You say you took and allowed a certain amount per thousand cubic feet. First of all we will speak of the 21st Street station. To the station cost you

13680 added .0795 per thousand cubic feet for each month?

A. Yes, cents per thousand cubic feet.

Q. Was it seven cents?

A. Yes, sir.

Q. Per thousand cubic feet?

A. Yes

Q. 7.95 cents?

A. Yes, sir.

Q. Where did you get the figure for investment?

A. The interest on investment was computed based on the state tax reports for December 31, 1917, at 6 per cent.

Q. So in that report to the State Board of Tax Commissioners for the year ending December 31, 1917, we will find the amount of investment that you used in your figures?

A. Yes, sir.

Q. You multiplied that by six per cent?

A. Yes, sir.

Q. How did you compute or reduce that to the per thousand cubic feet basis?

A. I divided into that amount of interest arrived at based on six per cent, the average annual make of the 21st Street station for six years, from 1912 to 1917. 13682

Q. You averaged the annual make for the six years; that is 1918, 1917, 1916—

The Master: 1912 to 1917, each inclusive, he said.

Q. 1912 to 1917, both inclusive?

A. Yes, sir.

Q. Where did you get that average make from?

A. From the records of the accounting department.

Q. You, of course, did not know anything about it, except what they handed you, did you?

A. It is a matter of record, of course.

Q. I mean outside of the memorandum they gave 13683 you, or the books, you know nothing about it personally?

The Master: Of course he did not.

Q. Do you?

A. No.

Q. Why did you use six per cent on the investment?

A. Because that is the legal rate of interest in New York State.

Q. You mean that is a fair average rate?

The Master: No, he does not mean that at all.

Mr. Ransom: No.

The Master: He said he based it upon the legal rate of interest. I am not going to have him say whether he thinks it is fair or unfair.

Q. Do you make any investments for the company?

A. No, I do not.

Mr. Ransom: I object to the question.

Q. You do not make any?

A. No.

Q. Who handles the investments of the Consoli-

13685 dated Gas Company?

Mr. Ransom: I object to the question as not proper cross-examination.

Mr. Chambers: I am trying to find out if six per cent is—

The Master: You cannot find out anything like that. All he knows is the basis on which he figured it; whether it is fair or unfair is not within his province at all.

Mr. Chambers: He is the comptroller.

Mr. Ransom: We will concede it is too low.

Mr. Chambers: You will not concede anything.

13686 Q. You thought that was a fair amount to charge the government?

Mr. Ransom: I object to the question.

The Master: Objection sustained.

Mr. Chambers: Exception.

Q. Do you have charge in any way of investments made by the Consolidated Gas Company in stocks and bonds?

Mr. Ransom: I object to the question.

The Master: Objection sustained.

Mr. Chambers: Exception.

Q. Don't you keep in your office and aren't you in

charge of books which show the investments of the Consolidated Gas Company in stocks and bonds of other companies?

Mr. Ransom: I object.

The Master: Objection sustained.

Mr. Chambers: Exception.

Q. This amount in the report to the State Board of Tax Commissioners as the investments, what is that investment?

A. That is the investment in the 21st Street plant, based on the cost of reproduction.

Q. The cost of reproduction? 13688

A. Yes, sir.

Q. At present prices, or I mean at the prices in 1917?

A. The prevailing prices when the report was made.

Q. Then really it is not the investment?

The Master: That is argumentative.

Mr. Ransom: I object to the question. The report speaks for itself.

The Master: Objection sustained.

Q. You have testified it is the cost of reproduction?

Mr. Ransom: I object to the question. He 13689
says he took the figures out of the tax report.

The Master: Yes, he finished that question.

Q. You said already it was reproduction costs?

Mr. Ransom: That is not a question. That is a statement by Mr. Chambers.

The Master: That is the statement of the witness.

Q. Is that so?

A. Yes, sir.

Q. Who made that up, do you know, the report to the Tax Commissioners?

A. It was made up in the accounting department.

Q. You had nothing to do with it?

A. I did not make it up personally.

Q. Whose idea was it to take that reproduction cost for 1917 as the basis of this (indicating)?

A. I think it was my idea.

Mr. Ransom: I object to the question.

The Master: He has answered it.

Q. Your idea?

A. Yes.

Q. In that tax report that is not called investment

13691 value, is it?

Mr. Ransom: I object to the question. The report speaks for itself.

The Master: I will let the witness answer it.

Mr. Ransom: Exception.

A. I believe that is exactly what it is called in the tax report.

Q. Was the six per cent your own idea?

Mr. Ransom: I object to the question.

The Master: I will allow it.

Mr. Ransom: Exception.

A. Yes.

13692 Mr. O'Brien: You do not mean by that that you acted independently of your superiors, do you?

Mr. Ransom: I object to the interruption.

The Master: The question is not allowed at this time.

Mr. O'Brien: I am going to submit, your Honor, that if the practice already put in vogue by the Master of denying me the right to ask a number of questions on matters that are bordered on or approached by questions of Mr. Chambers, the only way for me to get my ques-

tions in will be to interpolate or interject a question while the witness is being examined.

The Master: I will not allow it.

Mr. O'Brien: Otherwise there will be a great many matters I will not be allowed to touch upon.

The Master: You will be allowed to ask any questions that in my judgment Mr Chambers has not asked.

Mr. O'Brien: Does that mean that the converse is to be worked too—I will not be allowed to ask a question where the question has been 13694
asked by Mr. Chambers in some form or other?

The Master: Of course that is my ruling. I cannot have two or three counsel—

Mr. O'Brien: You mean not in exact words, but where it is substantially or in any way the same question Mr. Chambers has asked?

The Master: I am not going to permit Mr. Chambers to ask a question and then have Mr. O'Brien ask the same question, then have Major Clark or Colonel Hayward ask the same question. It is a perfectly silly proposition.

Mr. O'Brien: Not the same question, but where the subject-matter is the same? 13695

The Master: If the subject-matter has been adequately covered, so that I do not think there is anything more to be added to it in any form of question, I am not going to let you or Colonel Hayward or Major Clark ask the question. If the subject has not been adequately covered I will let you cover it until I think it has been.

Mr. O'Brien: I note an exception to your Honor's decision in this matter. I feel, as I said before, that while the exact question might be withheld, where I attempt to ask the exact ques-

tion asked by Mr. Chambers, questions in different form, designed to bring out further information from the witness, should be allowed.

The Master: I will allow that.

Mr. O'Brien: It will handicap and embarrass me very much, your Honor.

The Master: A question, whether in the same form or a different form, which will bring out new material and new matter will be allowed.

Mr. O'Brien: I thought it would serve everybody's purpose here and save time if occasionally
13697 I interjected a question while the witness is on the stand. That is why I have taken the liberty, even though you have ruled against me, now and then to ask a question subject to your objection.

The Master: Once in a while, Mr. O'Brien, I have permitted the question. My experience has been that once I do it leads to a series of questions and the cross-examination of Mr. Chambers is waiting for you to get through. I have reached the conclusion I will not do it any more.

Q. You said, Mr. Armstrong, this six per cent was
13698 your own idea and the taking of the reproduction costs for 1917 was your own idea?

A. Yes, sir.

Q. Has the complainant approved whatever you have done in the matter of charging the government for loss in gas volume?

A. Yes, sir; all those things were submitted to executive officers of the company.

Q. And adopted by the company?

A. Yes, sir.

The Master: All of those things were submitted to the executive officers of the company and approved by the company.

The Witness: Yes, sir.

The Master: Mr. O'Brien, the question you wanted to interject is now fully covered. He said he submitted it all to the executives and they approved it. It follows he did not override the executives' orders.

Mr. O'Brien: You are assuming that Mr. Chambers took up my question.

The Master: No, you must assume that Mr. Chambers has in mind a line of cross-examination that will cover it.

Mr. Chambers: I have. 13700

The Master: He may not have in mind some other line that you have, and I will then let you cover yours.

Q. This amount that you took from the tax report of 1917, which you said was the reproduction cost of the plant there, and accessories, that figure had no depreciation in it, did it?

Mr. Ransom: I object to the question. This is a question—

The Master: I really do not see, Mr. Chambers, what object is to be accomplished. You do not want me to take these figures as proving that investment, do you? 13701

Mr. Chambers: I want you to take them as an admission against their interest, if it so appears.

The Master: In what form? I do not get your point there.

Mr. Chambers: Well, assuming that this as it appears now—

The Master: You mean that you do not want them to make it higher when they come to prove invested capital?

Mr. Chambers: No, I mean I want them to

show that in the way they made this computation, if they allowed for depreciation, etc., it would make the cost of gas much lower than stated.

The Master: I will allow it.

Mr. Ransom: Exception.

A. What is the question?

The Master: This reproduction figure that you have placed the investment on, on which you figured six per cent, did that allow for depreciation?

13703 The Witness: No, sir.

Q. No depreciation of any sort?

A. No, sir.

Q. Did you take, so far as the 99th Street station was concerned, the figure in the report to the State Tax Commissioner for 1917?

A. Yes, sir.

Q. Reproduction cost the same?

A. Yes, sir.

Q. And was there any—there was no depreciation of any kind in calculating that?

A. No, sir.

13704 Q. And you took six per cent on that sum?

A. Yes, sir.

Q. And you took an average of six years?

A. Yes, sir.

Q. Whose idea was it to take an average of six years?

A. My own.

Q. And that was approved subsequently by the company?

A. Yes, sir.

Q. Why did you do that?

The Master: Wait a minute. The witness wishes to say something.

The Witness: I took that average because the government stipulated that average in another type of calculation, in the contract.

Mr. Ransom: As to oil.

Q. And the Consolidated Company stipulated with them that they take an average of six years?

A. That was in the contract.

The Master: Only as to the oil item, that they had used a certain amount of oil each year for six years, and for that reason it occurred to him that he would take the six-year average on other things. 13706

The Witness: Yes.

Q. You thought that was a fair average for that calculation?

A. Yes, sir, I did.

Q. Then you did not believe that one year would be proper?

Mr. Ransom: I object to the question.

The Master: I will sustain that objection.

Q. Why didn't you use one year?

Mr. Ransom: I object to the question.

The Master: I sustain the objection.

Mr. Chambers: Exception.

The Master: It is quite apparent. He has explained that the government in figuring on the amount of oil used for enriching purposes said they should use the average for six years, so when the witness took to figuring interest— 13707

Mr. O'Brien: The witness did not say that. He says the contract—

The Master (interrupting): It was in the contract.

Mr. O'Brien: It may have been a stipulation of Brother Addicks.

The Master: The witness says when he saw

the contract calculating oil for enriching purposes, he followed the same idea in figuring the interest charges and insurance charges and some other charges, taking an average of six years. That is all he said about it. He would not have done it if that did not occur to him as a fair basis of calculation. Am I right, Mr. Armstrong?

The Witness: Right.

Q. Now, the taxes, do you know what went into that reproduction cost, that is whether overheads
13709 were included? Will the tax report show?

Mr. Ransom: I object to the question.

The Master: I will allow it.

Mr. Ransom: Exception.

The Witness: The tax report, of course, will show.

Mr. Ransom: I call your Honor's attention to the fact that they are proving here property values.

The Master: Well, what are you worrying about?

Mr. Ransom: I am not worrying if you fully realize it and am overruling his objection on that
13710 basis.

The Master: Don't worry.

Mr. O'Brien: You don't mean to say that seriously, Mr. Ransom?

Mr. Ransom: I do mean it, and I will go to any court in the land on the proposition.

The Master: This case is not going to be decided on very fine technicalities.

Mr. O'Brien: You mean if there is nothing else, the Master will have to find that as reproduction cost?

The Master: This case is going to be decided on the facts, not on any technical catching of rules or anything of that sort.

Mr. Ransom: I understand that.

Mr. O'Brien: I remember that question about the oil prices stipulated in the contract, and your Master made a very clear-cut ruling in regard to it.

The Master: This case is not going to turn on any tricks of trial, that is all there is about it. All I am trying to do, Mr. O'Brien, is to have the proof put in in an orderly fashion, with- 13712
in the rules established as safeguarding the rights of the parties, and when that is all done, I am going to decide it upon what I think the evidence shows the fact to be, and I am not going to say, "Mr. O'Brien did not make his objection quick enough, therefore, I am going to figure out so and so on a technical basis." I am going to decide it upon facts as they are proved.

Mr. O'Brien: Well, so that your Honor will know the trend of my argument after we get through the case, I want just right here to say to your Honor what I think the plaintiff ought to do in this matter, and we would have time 13713
saved and get a better result all round, that is, we would have the proof with the fullness—

Mr. Ransom (interrupting): The complainant does not need any advice from the Corporation Counsel.

Mr. O'Brien (continuing): That is, the man who is acquainted with these figures and could give it to us in a day's session, and we could be through with our cross-examination in a day or possibly a second day, and the man who knows something about it.

The Master: I know your point.

Mr. O'Brien: Not the fellow that is handed the figures. I am pointing out to your Honor just how time could be saved, and how they could perhaps give us evidence that might sustain a finding. They never will with what they have gone on, your Honor. They will make another abortion out of this case.

The Master: Apparently attorneys for public utilities corporations do not like to try cases the way you would like to try them, because in the
13715 Kings County case it took nearly four years to try the case.

Mr. O'Brien: The Municipal Gas Company case in Albany in which Brother Chambers, whose ability I assume no one will question, took from March until October 15th.

Mr. Chambers: Forty-three trial days.

The Master: That was a comparatively small proposition.

Mr. Ransom: That is what we could do with this case without Mr. O'Brien in it.

The Master: That was a comparatively small
13716 case, and yet this case, with all of its volume, ought not to have taken longer than the case of a company one-tenth its size. The size of a case does not cut a bit of figure in the amount of time involved.

Mr. Ransom: But the complexity of various of these matters that the defense is insisting on going into the cross-examination, have prolonged this case far beyond what was necessary.

The Master: Let us go on; don't waste any more time.

Q. You don't know what is in that amount of

reproduction cost, except what is in the tax report, do you?

A. I would not want to testify in detail now, no.

Q. Did you have something to do with making up the tax report?

A. I did not actually make it up, no, but I have seen it.

Mr. Ransom: I may say the defendants have had this report for days and days, so the witness may be excused from lack of present familiarity with it. 13718

Mr. Chambers: Why does he interject that here at this time?

The Master: Well, why do you pay any attention to it?

Mr. Chambers: I usually do not.

Q. Now, taxes, what taxes did you put in?

A. Real estate taxes only.

Q. Real estate taxes only?

The Master: You mean the local city taxes?

The Witness: For what year, 1917?

A. I took the assessed valuation for the year 1918, and applied them at the 1918 rates.

Q. They were taxes which were not yet paid, I assume, then? 13719

A. They were paid either in full or in part, because this was after April.

Mr. Ransom: After April of what year?

The Witness: 1918.

Q. Did you do the same thing as to the 99th Street station?

A. Yes, sir.

Q. Both stations?

A. Yes, sir.

13720 John H. N. Armstrong, Cross.

Q. Taxes on the real property?

A. Yes, sir.

Q. For the same period of time, both stations?

A. Both computed in the same manner.

The Master: Did you apportion or charge each different month?

The Witness: I charged it—it is in the cost of gas sold to the government as fixed per thousand.

Q. Take the 21st Street station, what property did you use upon which you computed the taxes?

13721 A. I took the assessed valuation of the land with improvements.

Q. Land with improvements?

A. Yes, sir.

Q. Could you tell what pieces of property you took?

A. No, sir.

Q. You cannot tell?

A. No, sir.

Q. You must have had some figure before you upon which you computed the tax?

A. Yes, I had the assessed valuation.

13722 Q. What was that? Take the 21st Street station, what was the assessed valuation that you used?

A. I am not sure that I have that figure with me.

Q. In lump sum?

A. $4,584,500.

Q. That is for the 21st Street station?

A. Yes, sir.

Q. What is it?

A. $4,584,500.

Q. Does it show that itemized?

A. No, sir.

Q. What was the 99th Street station, the amount of that?

A. $1,550,000.

Q. You haven't the detail for that?

A. No, sir, I have not.

Q. Now, to go back to the interest on reproduction cost of investment, what was the total sales of gas that you used covering the six years from 1912 to 1918?

A. I did not use the six years.

Q. I mean the amount of gas made, could you give me that total figure, or have you got it by years?

A. The average annual make at 21st Street station for 1912 to 1917 was 5,147,447,000. 13724

Q. That is the average, that is the only way you have it?

A. Yes, sir.

Q. How about the 99th Street station?

A. I don't seem to have 99th Street here.

Q. That average at the 21st Street station was taken from the books?

A. Yes, sir.

Q. What rate did you use in computing the taxes on the 21st Street station?

A. 2.36.

Q. Per what?

A. Per hundred. 13725

Q. What on the 99th Street station?

A. It would be the same, the New York City tax rate.

Q. Can you give us the average make for the 99th Street station, can you supply that for us?

A. At some other time?

Q. Yes.

A. Yes.

Q. The one you used?

A. Yes, sir.

Q. Now, the insurance, taking the 21st Street station, have you the amount of insurance you used?

A. $3,308,545, at a rate of 22 1/2 cents per hundred.

Q. Now, do you know what pieces of property that insurance covered?

A. No, sir, I do not.

Q. At the 29th Street station what was it?

A. $898,200.

Q. At what rate?

A. The same rate.

13727 Q. How did you find out the insurance per thousand per cubic feet?

A. I divided the result of the multiplication of the insurance by the rate, by the average annual make for six years.

Q. What kind of insurance was it?

A. Fire insurance.

Q. Fire only?

A. Yes, sir.

Q. There was not included in it the special insurance you wrote for the war?

A. No, sir.

Q. Nothing but fire?

13728 A. Nothing but fire.

Q. Was it the same as the insurance that was carried in previous years? I mean, the insurance rate was high, wasn't it, for 1918?

A. I don't believe so offhand.

Q. You don't think it was much above the average for a number of years?

A. No, I do not.

Q. Now, renewals and replacements—how did you ascertain the cost per thousand cubic feet for renewals and replacements? What did you base that on?

A. That is a rate established and testified to in the

eighty cent gas case as the cost of plant withdrawn, the average cost of plant withdrawn for a period of twenty years.

Q. Who testified to that in the eighty cent gas case?

A. I cannot say offhand.

Q. What do you mean, you got the eighty cent gas case—

A. It is an exhibit in the eighty cent gas case.

Q. A complainant's exhibit, the complainant gas company's exhibit in that case?

A. Yes, sir.

Q. Covering a period of how long in time? 13730

A. Twenty years.

Q. Do you know anything about how it was made up?

A. It was based on actual plant withdrawals for the twenty years.

Q. That only covered a period of time up to 1905, didn't it?

A. Yes.

Q. What did you do after that with renewals and replacements?

A. We never made a division, it was not necessary to make such a division as between plant and distributing system. I only wanted to charge the gov- 13731 ernment the portion applicable to plant, not to the distributing system.

Q. Wasn't there any change between 1905 and 1884?

A. Yes, sir.

Q. What did you do as to that?

A. This was charged to reserve before, but was not divided as between plant and distributing system.

Mr. Ransom: I object to this. He took a basis, a splitting up, not that he charged any re-

newals for twenty years or thirty years or forty years.

Mr. O'Brien: There is a unit somewhere.

The Master: That is what he said. He has taken the unit testified to in the eighty cent gas case.

Mr. Ransom: He split up the three cents into the part applicable to plant, the 21st Street plant—

The Master: Yes, to be sure. He took the basis of three cents.

13733 Mr. Ransom: And split that up.

The Master: As applicable to the 21st Street plant.

Mr. Ransom: No, not that. The three cents per thousand cubic feet would apply to the whole thing.

Mr. O'Brien: Let the witness testify. I object to Judge Ransom putting this in the record. Let the witness tell us if he knows, and if not, let us get the fellow on the stand who does know.

The Master: What is the fact, Mr. Armstrong?

The Witness: Three cents is the total charge
13734 for plant withdrawn, but that includes not only manufacturing plant but distributing system, and in order to charge the government only for the portion of manufacturing plant, I divided that three cents on the basis of the testimony in the eighty cent gas case, which showed that .88 of one cent was applicable to manufacturing plant and the balance to distributing system. I used that .88 of a cent to charge the government.

Q. Did you use what those items actually cost the company in 1884, or what did you do?

A. Those were the actual costs of the plant withdrawn in the twenty years.

Mr. O'Brien: I object to that as not responsive and as calling for a conclusion.

The Master: I will let it stand.

Mr. O'Brien: Exception.

Q. You took what was found on the books as the cost prior to 1884?

Mr. Ransom: I object to the question.

The Master: He took an exhibit which was offered in evidence in the other 80 cent gas case, which showed that upon a basis of their actual 13736
withdrawals over a period of twenty years that witness, whoever prepared that exhibit, figured it was three cents per thousand, and that same witness testified that .88 of a cent was applicable to the plant, and the balance of it to distribution; so this witness, for the purpose of making a charge against the government, took that basis of calculation. That is all this testimony means.

Q. Did you use the actual cost or the estimated cost?

A. Cost of what?

Q. Of withdrawals?

Mr. Ransom: I object to that. 13737

The Master: Objection sustained.

Mr. Chambers: I think we ought to know whether it was an appraisal or whether—

The Master: We do know all that this witness is going to tell us, and that is that he found an exhibit in the 80 cent gas case that looked fair to him, and he took it. That is all.

The Witness: I merely wanted to divide the three cents.

The Master: He doesn't know how that was made up, he didn't make it up, he arbitrarily

took an exhibit in that case that looked good to him.

Mr. Chambers: I would like to have him say, which I think is the fact, that he did not take actual costs.

The Master: He has said that.

The Witness: I made a division of the actual cost based on information that I was able to obtain from the 80 cent gas case.

Q. Where did you get the actual cost from?

A. The actual cost is 3 cents per thousand.

Q. Where did you get that from?

13739 A. That is a matter of record in the company's account.

Q. That is based on estimated cost, isn't it, of 1884?

The Master: We have got all we can get from this witness.

Mr. O'Brien: Whose testimony was it, or whose exhibit was it?

The Master: That is all right.

Mr. Ransom: Teele's figures show more than three cents.

The Master: I don't care what his figures show.

13740 Mr. Ransom: He says they are spending more than three cents.

Mr. Chambers: Teele's figures have been discounted and thrown out.

Mr. Ransom: Not at all.

The Master: Do you know who prepared that exhibit that you saw in the 80 cent gas case?

The Witness: No.

The Master: Did you prepare it?

The Witness: I saw it personally—

Q. You don't know anything about the figures contained in it, do you?

A. No, I was not vitally interested. I merely wanted to get a division of the three cents, and there I found a table in that 80 cent gas case, which divided it between plant and distributing system. I merely wanted to divide this three cents, to charge the government for plant only, and not for the distributing system.

Q. You figured the three cents what? On the amount stated in the tax report?

A. Three cents is the amount that we now set up in our own account to provide for plant withdrawn from service. 13742

The Master: As a reserve?

The Witness: Yes, sir.

By Mr. Ransom:

Q. Three cents per thousand cubic feet of make?

A. Yes, sir.

By Mr. Chambers:

Q. Is that make, or amount sold?

A. No, it is sales.

Q. So you haven't any knowledge at all of how the three cents was obtained, any more than the Court?

A. The present three cents?

Q. Yes.

A. Yes, that is based on the cost of withdrawals 13743 over a period of years.

Q. What cost of withdrawals?

A. The actual cost of withdrawals.

Q. Where did you get it from?

A. I didn't get it.

The Master: You see, we just go round and round—

Mr. Chambers: I asked him if he knows anything about that exhibit.

The Master: Of course he doesn't. It was made back in 1905.

Mr. Ransom: I think both Mr. Chambers and the Master are under a misapprehension. The company is still charging and has charged three cents as a reserve to cover this thing, and has done that for many years. It is actually spending a little more, but it reserves its three cents now. That whole three cents per thousand cubic feet of sales, of course, should not be charged to the government, you have got to split it up, so in splitting up that three cents, he takes now the same ratio that was testified to in the prior

13745 case.

The Master: You have not told me a single thing that I have not known perfectly for half an hour.

Mr. Ransom: The present expenditure is not gotten out of the 80 cent gas case. All he got out of the 80 cent gas case is the division.

The Master: Likewise the basis of three cents that this company has established since that time?

Mr. Chambers: That is what I wanted him to say, that the basis of three cents came from the exhibit, about which he knows nothing.

Mr. Ransom: Why, it has been based on long

13746 experience.

The Witness: I did not get the three cents from the exhibit; I got the division from the exhibit.

The Master: Is it not the practice of the company, has it not been the practice of the company, to set up this three cents reserve, ever since that 80 cent gas case?

The Witness: Yes.

Q. What figure did you get from the exhibit?

The Master: He got 88/100 of a cent as applicable to plant. I will not allow any more questions.

Q. Cost of production—you said, where you have cost per thousand cubic feet for the different months —we will take the 99th Street station, that is station cost, you said, or was it cost in the holder? The station cost was it?

A. The station cost, yes.

The Master: What is the difference between station cost and the cost in the holder?

The Witness: There isn't any difference.

Q. Well, then, it is one or the other, or both?

A. Yes, sir.

Q. Take July, 1918, how did you ascertain that the 13748
cost in the holder was 36 3/4 cents at 99th Street?

A. Those figures are all a matter of record in the operating ledger, shown in the production company's account. They are taken from the ledger and tabulated, and the gas made divided into that total, gives you the unit arrived at.

The Master: This tabulation I am taking simply as a statement of what they charged the government. The further you and Mr. Chambers go in cross-examination.

Mr. O'Brien: The more you may be making proof of the fact. As I said before, I am not going to try any tricks on you, but you may, as 13749
a matter of fact, be proving up some things.

Q. Now, you don't know anything about that cost except what you found in the books, do you?

A. Yes, sir, I know all about it.

Q. You know all about it?

A. Yes, sir.

Q. That is, you know the cost of the oil? For instance, do you know how much oil was used in July.

A. I cannot quote, of course, unit prices of oil, or the cost per thousand cubic feet of various elements, but I know what elements went into that cost, and

how it was computed, and how this result was arrived at.

Q. But you took it from the books?

A. Took it from the books, yes.

Q. Did you take it from the books of the 21st Street station?

A. Yes.

Q. How was it set up on the books, just cost per thousand cubic feet?

A. Oh, no.

Q. How is it set up there?

13751 A. The cost per thousand cubic feet would be purely a statistical figure. The books show the dollars, the dollars of cost production, material used, labor employed, residuals sold and used, and so on.

Q. And you made the computation?

A. Yes, sir.

Q. From those figures?

A. Yes, sir.

Q. Now, for some of the gas you charged the government 80 cents?

A. Yes, sir.

Q. I assume that you included some profit in that?

A. No, sir.

13752 Q. You mean you were giving it to the government without any profit?

A. We were charging them the same as we charged any other consumer, the regular rate of gas, 80 cents per thousand cubic feet.

Q. There was no reasons why you should charge them 80 cents, were there? You were free to make what charge you wanted to, were you not?

A. Above 80 cents?

Q. Yes, sir.

Mr. Ransom: I object to the question. Of course, this company could not charge more than eighty cents to anybody.

The Master: Objection sustained.

Q. Why not?

Mr. Ransom: That is why we are here.

Mr. O'Brien: As a matter of fact, it will be seen, your Honor—

The Master: I will just show the danger of this cross-examination. Mr. Chambers asked this witness whether they made any profit in selling this gas to the government at 80 cents. Now, I should be justified in saying you have proved, as a fact, that there was no profit in selling it at 80 cents. 13754

Mr. O'Brien: Oh, no, you could not draw any such conclusion.

The Master: If this case were not so important, that is precisely what I would do.

Mr. O'Brien: You would have the case thrown back.

The Master: I wouldn't care what happened to it.

Mr. O'Brien: It would come back all right. We are concerned here with a method by which they made a calculation.

The Master: If this were an ordinary case I should hold the defendants to this question and 13755 this answer that has been given. Of course, I will not do so in this case, but I am showing you how dangerous it is.

Mr. Chambers: I am willing to tread on dangerous ground.

Q. You were free to charge the government, were you not, whatever was fair and reasonable?

Mr. Ransom. I object to that. That is a matter of law. He could not—

The Master: Of course he could not. The use of gas for laboratory purposes—that is or-

dinary commercial use of gas, the same as a private company. He could not charge any more.

Mr. O'Brien: As a matter of fact, they have not charged the government here the price they charged the consumers. I will show you when I get the witness under cross-examination that Judge Ransom and your Honor are both in error, and so is Mr. Chambers.

The Master: Objection sustained.

Mr. Chambers: To which question did you sustain the objection?

13757 The Master: The last question.

Mr. Chambers: Read that again.

(The stenographer read the question as follows):

"You were free to charge the government, were you not, whatever was fair and reasonable?"

Mr. Chambers: To that you sustained the objection?

The Master: Yes, sir.

Q. In charging the government the cost, this so-called cost of all these other items, you were free to charge whatever it cost the company, with some profit, were you?

13758 Mr. Ransom: I object to the question.

The Master: Objection sustained.

Q. Why did you charge 80 cents for some of the gas, to the government, and then charge the government these other prices here set forth in Exhibits 348 and 349?

Mr. Ransom: I object to the question as already covered.

The Master: I will allow the question.

A. Because the gas supply to the government at 80 cents was supplied in the same way that it was supplied to the consumers. It went through a meter

and the meter was read and the bill read, and it went through the same processes as the gas supplied to the consumers.

Mr. O'Brien: I move to strike out the answer as not responsive, as giving a conclusion by the witness without giving the premises on which that conclusion is based.

The Master: Motion denied.

Mr. O'Brien: Exception.

Q. It was supplied right at the works, was it not?

A. Part of the works.

Q. You do not do that as to any other consumer, 13760
do you; you do not supply your consumers at the works, do you?

A. We supply the consumers wherever they want the gas, wherever they want to use it.

Q. You said like any other consumer. The government had it right there at the plant?

A. Yes, but it went through a meter and the meter was read. It is a commercial proposition.

Q. I know, but you had no transportation there, did you? A. No transportation?

Q. Yes; distribution I mean.

Mr. Ransom: Under the law of this state they would not have had a right to charge less than 13761
80 cents for gas supplied in that way, I take it.

The Master: Less than 80 cents?

Mr. Ransom: For that kind of gas.

The Master: Why could they not charge less than 80 cents?

Mr. Ransom: For gas delivered through a meter.

The Master: The law does not say you must not charge less than 80 cents, does it?

Mr. Ransom: The Public Service law does, yes.

13762 John H. N. Armstrong, Cross.

The Witness: On the ground it would be discrimination.

Q. There was no distribution as to that gas that you charged 80 cents for?

Mr. Ransom: I object.

The Master: Objection sustained.

Q. Were these amounts set forth in Exhibits 348 and 349, loss in gas volume, the only charges you made to the government for loss in gas volume?

A. Yes, sir.

Q. What was the difference between that gas and
13763 gas you charged 80 cents for.

Mr. Ransom: I object to the question.

The Master: I will allow it.

Mr. Ransom: Exception.

A. Well, you mean the quality of the gas or the difference in the price, or what?

Q. No, I mean the difference in the expense the company was put to?

Mr. Ransom: I object to the question in that form.

Q. Was it the same as to the two kinds of gas?

The Master: Objection sustained.

Q. Was there any difference?

13764 Mr. Ransom: I object to the question.

The Master: Objection sustained. I am going to sustain objections to this like of questioning, on the ground that so far as volume of gas and the loss is concerned, the contract covers it, and the gas company was to be paid the cost of gas lost, gas volume. As to gas furnished for ordinary consumption there was nothing in the contract about it. The record speaks for itself and I will sustain objections to further questions along that line.

Mr. O'Brien: Will your Honor hear me on that point now?

The Master: No, there is nothing to be said.

Mr. O'Brien: Well, it is going to affect the examination of the witness I am going to conduct.

The Master: I hope it shortens it. It is perfectly clear to me.

Mr. O'Brien: Here is the point; I might as well go right at it here and now.

The Master: I suppose I might as well let you.

Mr. O'Brien: There was a difference in the candle power of gas furnished to the consumers 13766
after the government began work on the gas. The government has taken practically 25 per cent of that gas in what they got out of each unit's candle power. That ought to mean about three millions of dollars and they got thirteen millions of dollars for it. I contend it is permissible to ask the witness whether he computed the candle power before and after they were working on it; whether he had gone into the thermal units of the gas before and after the government took out what they wanted; and whether they have sought in the bills presented to the government to get back for the consumers what was lost to 13767
the consumers in dollars and cents in the gas receipts taken by them at that time.

The Master: I will take up that line you are discussing when we come to it. I am inclined to think I will then let you ask the questions, because the impression I have is that the witness does not know anything about it.

Mr. O'Brien: That is the risk I am taking. A great many things we win either way, red or black.

Q. You say you submitted these figures to the gov-

ernment with underlying data. What underlying data did you submit?

A. The supporting data. The original data that went to make up the figures.

Q. Where is that? Have you that data that you submitted to the government?

A. Yes. No, I have not that data with me, no.

Q. You can furnish that?

A. Yes.

Q. Why did you not bring it down?

A. I did not know it would be needed.

13769 Q. And that shows in detail all the—

Mr. Ransom: I object to the question.

Mr. O'Brien: What did he say?

The Master: He said he did not know it would be needed.

Q. You knew what you were going to testify about, did you not?

A. No, I did not exactly.

Q. Did not exactly?

A. No.

Q. Counsel did not tell you?

A. No, sir; he did not.

Mr. Ransom: Mr. Chambers and Mr. O'Brien
13770 were the only ones who knew that.

Mr. Chambers: I think he ought to bring down that underlying data.

The Master: The next question.

Mr. Ransom: The vouchers have been examined.

The Master: There is nothing requires discussion now.

Q. This charge you made to the government, cost per thousand cubic feet, your computation here of all that was approved by the company?

A. By the company?

Q. By your company. Was it?

A. Well, of course, all of these charges when originally made, were made through invoices and payrolls, and so on, and went through our accounts, and through our regular accounting system were approved by auditors, and so no.

Q. Your charge to the government was tabulated and submitted to the executive committee, was it?

A. No, sir; that was not necessary.

Q. It was not necessary?

A. No, sir.

Q. Was it approved by the executive committee, 13772
your computation?

A. The charge to the government or the method?

Q. The method.

A. The method was approved by the executive officers.

The Master: Who were they?

The Witness: Mr. Addicks and Mr. Carter.

Q. In what form?

A. I beg pardon?

Q. In this form, or what form?

A. An explanation of the method.

Q. What?

A. An explanation of the method. 13773

Q. Of the method?

A. Yes, sir.

Q. And where is that, have you got that?

A. I don't know.

The Master: He explained to Mr. Carter and to Mr. Addicks the method that he used or the method that he was going to calculate these things on, and they approved it.

Q. Did you explain it in writing to them?

A. I don't know whether I did or not. I may have written it.

Mr. O'Brien: Don't remember?

The Witness: Not exactly, no, sir.

Q. You have on here a column "Loss in gas volume, cubic feet." Where did you get that from?

A. That is a computation which is set forth in the contract. It is the total number of gallons of light oil produced multiplied by 40 cubic feet.

The Master: An arbitrary figure.

Q. Who made that computation?

A. That is in the contract.

Q. In the contract?

13775 A. Yes, sir.

The Master: Apparently that is what the engineers figured would be the loss of gas.

Q. Now, that part of the gas you charged at 80 cents, what was that used for, where did that figure in?

A. Where did it figure in?

Q. Yes. Was that loss in gas volume, too?

The Master: No, it was not.

A. Principally in the chemical laboratory for testing work and that sort of thing.

Q. Who measured that?

A. Measured by meter, the same as any consumers

13676 gas is measured.

Q. You treated the government as a regular consumer in that respect?

A. Yes, sir, in that particular.

Q. And submitted them a bill accordingly, the same as any other consumer?

A. Yes, sir.

Q. Is that included in this loss in gas volume?

A. No, sir.

Q. Well, then, that is not set forth in this Exhibit 344 at all?

A. This is in 344, yes.

Q. Well, what item is it in?

A. In miscellaneous charges, 40,000.

Q. Miscellaneous charges?

A. Yes, sir.

The Master: Are you sure about that, Mr. Armstrong?

The Witness: Yes, sir.

Mr. O'Brien: That must be an error. Look again. Have you got the exhibit there before you?

The Witness: Yes, sir.

Q. You are certain it is in that? 13778

A. Yes, sir.

The Master: Why should it have been put in that if they were charged as a regular consumer's item under a special charge?

The Witness: Well, that was the way we handled that. We had the regular gas bill made up for the amount of actual consumption, and then in order to give the government the total cost of operating as reflected in the operating light oil recovery account, we charged it in there and credited the suspense—we had a suspense account had credited it there and then charged the government in the regular form in all these other 13779 charges.

Q. Where did they use that gas, at both stations or only one?

A. My impression is that it was at the 21st Street station. They may have used some at the 99th Street station, but I am not sure on that point.

Q. After you obtained the holder cost from the books, did you determine what other charges should be added to it, like renewals, insurance, taxes and investment?

A. Yes, sir.

Q. Interest on investment?

A. Yes, sir.

Q. You determined what other items should be added?

A. Yes, sir; those are the items you mentioned.

Q. And you included all that should be added, did you?

A. For that particular charge, yes.

Q. You charged in everything now that you could think of, did you?

Mr. Ransom: I object to the question.

13781 The Master: I will allow it.

A. Not everything I could think of, but everything that was agreed that should properly become a part of that cost.

Q. There isn't anything else that you left out chargeable to the cost of that gas?

Mr. Ransom: I object to the question.

The Master: Under that contract.

Mr. Ransom: In that contract there is an elaborate definition by the government.

The Master: A perfectly simply proposition. You charged him everything that you could charge under that contract, didn't you, Mr. Armstrong?

13782 The Witness: Yes, sir.

The Master: If you had a different kind of contract, you might have found an entirely different list of charges?

The Witness: Yes, sir.

Mr. Chambers: Well, they made the contract.

Mr. Ransom: The government made the contract.

Mr. Chambers: Well, it was not thrust upon them, it was a contract between the parties.

The Master: Please don't continue the discussion.

Mr. Ransom: That net cost definition was thrust on them when they were ordered under the National Defense Act of 1917, in which the cost definition was fixed.

Q. Well, there isn't anything else, is there, that goes into that cost there?

Mr. Ransom: I object.

The Master: Objection sustained.

Q. That you did not put in?

Mr. Ransom: I object.

The Master: Objection sustained.

Mr. Chambers: Exception. 13784

Q. Mr. Armstrong, this year of 1918, when you furnished the government this gas, was an extraordinary one, wasn't it, in many respects?

Mr. Ransom: I object to the question, it calls for a conclusion, indefinite.

The Master: What do you have in mind definitely?

Mr. Chambers: The severe winter.

The Master: Well, that wasn't in the winter of 1918.

Mr. Ransom: Prior to 1919, the cost was lowered.

The Master: The winter was past. If you mean that everything cost a great deal more, we will take judicial notice of the fact that it was the war year. What is the use? 13785

Mr. Chambers: I wanted to see what he would say as controller of the company.

A. If you are referring to the weather—

Mr. Chambers: Yes.

Mr. Ransom: I object.

The Master: Let the witness state.

The Witness: It was not extraordinary in respect to the weather.

Q. It was?

A. It was not.

Q. 1917-1918, was not?

A. 1918, the period during which we were operating for the government.

Q. Was it extraordinary in any other way?

Mr. Ransom: It was not extraordinary in that way.

The Witness: I said it was not extraordinary.

Q. At all?

A. In respect to the weather.

13787 Q. Well, outside of the weather?

A. Outside of such ways as you may know as well as I, war conditions and so on.

CROSS-EXAMINATION BY MR. O'BRIEN:

Q. Mr. Armstrong, how long have you been with the company?

The Master: Objection sustained. Mr. Ransom asked him and Mr. Chambers asked him, you have got it twice now.

Q. Were you always in the accountancy branch of the company's business?

A. No, sir.

Q. What other branches did you work in?

13788 Mr. Ransom: I object as immaterial.

The Master: I will allow it.

A. I was in the engineering department prior to going into the accounting department.

Q. How long were you in the engineering department?

A. About nine years.

Q. Are you a graduate of a technical school?

The Master: Objection sustained.

Q. Any institution?

The Master: Objection sustained. He is not called as an expert, that is as an engineering expert.

Mr. O'Brien: I submit, your Honor, that he has given us figures that are based on engineering facts, scientific data.

The Master: No, objection sustained.

Q. When did you make these figures?

Mr. Ransom: Which figures?

Mr. O'Brien: When were they made?

The Master: On Exhibits 348 and 349.

A. Those particular statements were compiled within a week.

Q. When were they submitted to the government?

A. They were never submitted to the government. 13790

Q. When was Exhibit 344 submitted to the government.

A. It never was submitted to the government.

Q. When were bills that contained the data in these exhibits sent to the government?

A. At various times during the period of operation, usually monthly.

Q. Submitted monthly?

A. Yes, sir.

Q. Who made them up?

A. They were made up in the accounting department, by the accounting department clerks.

Q. What particular clerks made them up? 13791

A. By name?

Q. Yes.

A. Betty.

Q. Betty?

A. Betty and Detjen.

Q. Anybody else?

A. No. There is a billing machine girl who typed the bills.

Q. What is that?

The Master: A billing machine girl typed the bills.

Q. Anybody else?

A. Not working on the bills, no.

Q. Do you know who made the figures before they came into the accountacy department?

A. Yes, the original data came from the works—if you are referring to loss in gas volume, Mr. O'Brien.

Q. My questions were addresed to the whole of the exhibits. Of course it is quite apparent from the testimony that some were calculated outside the works, but you can qualify your answers as you go along.

A. Well, of course, most of the charges that were
13793 based on calculations came from the works but there were other direct charges and purchases were made from sundry creditors and charged to the government, that came in on invoices and passed through our accounts the same as any of our invoices would.

Q. Then for the data that you have described as coming from the works you had reports from De-Castro at 99th Street—and who is the superintendent of the 21st Street works? Barlow?

A. Barlow.

Q. Both men have been with the company many years?

A. Yes, sir.

13794 Q. And they are still with the company?

A. Yes, sir.

Q. And still occupy those positions?

A. Yes, sir.

Q. Do they turn in monthly or weekly reports, or daily reports?

Mr. Ransom: I object to the question. It has been covered by previous witnesses and is not within the scope of this witness's cross-examination.

The Master: I will allow the question.

A. Monthly reports.

Q. Monthly?

A. Yes, sir.

Q. Did you have those reports before you when these calculations were made?

A. Which calculations are you referring to?

Q. On Exhibits 348 and 349?

A. No, sir.

Q. Taking Exhibits 348 and 349, will you say just what part you did calculate? The insurance column?

A. On those statements?

Q. Yes.

A. I calculated every one of them; every figure that is on there.

Q. But you just stated they were prepared by Det- 13796
jen and Betty?

A. No, sir; I did not. I said that the bills were prepared by those clerks.

Q. The bills to the government?

A. Yes, sir.

Q. Where is the data on which these were prepared?

A. That particular—these two exhibits (indicating)?

Q. Yes.

A. They were made up from only a part of the charge, and they are a matter of record in the books of account. 13797

Q. Where is that data?

A. It is in the new books, in the ledger.

Q. Well, you submitted underlying data to the government?

A. I certainly did; yes, sir.

Q. Did counsel tell you not to bring any underlying data with you when you brought this in?

Mr. Ransom: I object.

A. No, sir, counsel did not tell me anything.

Q. He did not.

A. No.

Q. Did Mr. Carter tell you not to bring any of it with you?

Mr. Ransom: I object.

A. No, sir.

Q. Did Mr. Addicks tell you not to bring any of it with you?

A. No.

Q. You are present during the time Mr. Addicks was on the stand?

A. At times; yes, sir. Part of the time.

Q. Well, a good deal of the time?

13799 A. No.

Q. You came in with your file here last Monday, did you not, in the court room?

A. No, I think I was here last Thursday and Friday.

Q. When did you first show up?

A. Last Thursday, if my memory serves me right.

Q. You do not mean that you were only in the court room three days?

A. I do not believe I was here more than that, while Mr. Addicks was testifying.

Q. Do you not remember the day you first came in?

A. Yes, I was here several months ago, but not when Mr. Addicks was testifying.

13800 Q. No, but last week when did you first show up in the court room during the hearing?

A. I think it was Thursday.

Q. That is your memory, is it?

A. Yes, sir.

Q. Who directed you to come?

Mr. Ransom: I object to the question.

The Master: I will allow it.

A. I was not directed to come.

Q. Who suggested you coming?

A. Nobody suggested it.

Q. Is Mr. Ransom's statement incorrect that he directed you to come?

Mr. Ransom: The Master directed him to come. You mean today or when?

The Master: Just answer the question.

A. Mr. Ransom did not direct me to come on Thursday.

Q. Did he tell you to come on any day?

A. Yes, he asked me to be here or to be over at the court room yesterday.

Q. You had a conference with him, did you?

A. No, I did not have a conference.

Q. Did you have any conference with Mr. Goetz?

A. I met Judge Ransom in the hall, when he told 13802
me that, but he was just going out on the elevator.

Q. When did you first confer with him about this case?

Mr. Ransom: I object to that question.

A. I had no conference, Mr. O'Brien. I merely was asked to prepare some figures for Mr. Addicks.

Q. By whom were you asked that?

A. By Mr. Addicks.

Q. How long ago?

A. The day before Exhibit 344 was presented.

Q. That is while he was on the stand?

A. Yes, sir, it was.

Q. And you directed Mr. Detjen and Mr. Betty then 13803
to get up the figures?

A. No, sir, I did not.

Q. Where did you get your figures?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Did you use the operating journal to get up these exhibits?

Mr. Ransom: Objected to.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Where in the operating journal will we turn to find the basis of these figures?

Mr. Ransom: Objected to.

The Master: Objection sustained.

Mr. O'Brien: Exception. Your Honor, I respectfully submit that I am entitled to ask this witness, in order to find out how far he went.

The Master: It is already covered.

Mr. O'Brien: He has not testified to it; I have been over this testimony, your Honor. He has referred to the books.

The Master: He has testified to it.

Mr. O'Brien: I have a right to ask him specifically whether he has been over the journal accounts.

13805

The Master: I will not allow it.

Mr. O'Brien: I want to make the record, anyway.

The Master: Yes.

Q. Did you take the various items in the operating ledger alone as the basis of these figures?

The Master: Objection sustained, it having been already covered.

Mr. O'Brien: Exception.

Q. Did you go to the operating journal for the figures that you have here worked out, or the basis of these figures?

13806

Mr. Ransom: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Did you use the operating journal for verifying the figures?

Mr. Ransom: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Did Mr. Teele furnish you with any figures?

Mr. Ransom: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Did you confer with Mr. Teele?

The Master: Same ruling.

Mr. O'Brien: Exception. As I recall his testimony this morning, your Honor, it was that the only reference to the books was that he referred to the account of gas production in the operating ledger. There was no other reference in his statement. Then there was mention made of the sundry creditors' book.

The Master: I do not want to get into a discussion about it, Mr. O'Brien. My recollection goes further than that. He answered the precise 13808
questions that I put to him myself. It may have been before you got here.

Mr. O'Brien: Well, assume that it was.

The Master: I am not going to let you go over it again. I brought it out myself. This whole paper came about because of my breaking into the direct-examination, and I asked the very things you have in mind now. I am not going to let you spend ten or fifteen minutes in going over something I went over myself. Time is getting too valuable; we can't afford it.

Q. I call your attention specifically to the last columns in these two exhibits, and ask you the particular 13809
source of your information as to loss in gas volume, cubic feet.

The Master: Objection sustained. Mr. O'Brien's attention is called to the fact that this contract provides that the loss in volume in gas is to be figured by computing forty times the amount of light oil recovered, at the rate of 40 cubic feet per gallon.

Q. Where did you get your data as to the volume of light oil recovered?

A. That was reported from the station, and orig-

mally computed by means of an oil meter, through which this oil passed, as it was being produced. Those reports were approved by the government inspectors stationed at the plant. I don't care about that; that don't help us.

Mr. O'Brien: I move to strike that out.

The Master: Motion denied.

Mr. O'Brien: I mean that part that says it was approved by the government inspectors.

The Master: I will let it stand.

Mr. O'Brien: Exception.

13811 Q. Do you know what kind of a meter was used?

A. No, sir.

Q. Have you got the reports made from the stations?

A. Yes, sir.

Q. Have you them with you?

A. Not with me.

Q. Were you told not to bring them?

A. I was not told to bring them, no.

Q. Who made the reports?

A. They were made under the supervision of the Works Superintendent. If you mean the actual computation of the report, it was done by the clerical force

13812 of the works. They made the report, and it was signed by the superintendent and the government inspector.

Q. Did the company keep a man stationed at the meters, or did they have a man especially assigned to take the measurements of the amount recovered by the government from the gas?

Mr. Ransom: I object to that question as immaterial, so far as the purposes of this case are concerned what the government determined they got in quantity of toluol, if accepted by the company at its figure, would be binding as the basis of the charge.

The Master: I will allow it.

Mr. Ransom: Exception.

The Master: Did you have a man assigned there to read the meters?

The Witness: I would not want to answer that on my own information. I know the meters were read and reports made, but whether the same man read them every day, I don't know.

Q. Was there some man representing the company?

A. Yes, certainly.

Q. Some employee of the company?

A. Yes, sir. 13814

Q. He turned in a daily report, did he, to the superintendent of the works?

A. Yes, sir, those meters were read daily.

Q. Do you know what kind of a meter it is?

A. No.

Q. You took your volume of gas for each station from what particular source?

A. It was a computation based on the quantity of light oil recovered at 40 cubic feet.

Mr. Ransom: No—

Mr. O'Brien: I object to counsel breaking in and telling the witness "No," when he proceeds to answer my question. 13815

A. It is based on the quantity of light oil produced multiplied by forty cubic feet.

The Master: The trouble, Mr. O'Brien, is that you did not ask an accurate question. The witness was not giving the answer to the question you asked, and Judge Ransom was getting very anxious that he was not answering your question. All of you, therefore, were at fault.

Mr. O'Brien: He has a habit of raising his hand to the witness not to answer.

The Master: If you had asked the question accurately he would not have had to do that.

The question was, "How did you measure the gas."

Mr. O'Brien: Will you read the question and let us get it exactly?

The Master: No. The answer given by the witness was the answer you wanted. Wasn't it?

Mr. O'Brien: I didn't get the answer. It was mumbled so that I could not get it.

The Master: It is the loss of gas volume, is that what you want?

A. (Read by the stenographer.) It is based on the
13817 quantity of light oil produced, multiplied by forty cubic feet.

Q. Where did you get those factors?

Mr. Ransom: I object to the question as already answered.

The Master: Objection sustained. The superintendent of the works and the government inspector certified to the amount of light oil recovered. The contract requires that amount to be multiplied by 40 cubic feet, and that is the way he gets it. Those are the factors, and that is the result. Let us get to something else.

Q. Is that the answer?

13818 A. Yes, sir, that is exactly right.

Q. So that we can take for 99th Street for the month of July, 1918, the report made by Mr. DeCastro—

The Master: And a government inspector.

Mr. O'Brien: He didn't say that.

The Master: Yes, he did.

Mr. O'Brien: He said they approved of something.

The Master: He said the reports are signed by both.

Q. Each monthly report?

A. Yes, sir.

Q. Take that report and multiply it by 40—

A. Yes, sir. Take the light oil produced and multiply it by 40 feet and you will get the amount shown on these statements.

Q. That report shows the amount of light oil recovered in what way, in what terms?

A. In gallons.

Q. You can take the report for the month of August made by Mr. DeCastro and approved by the government inspector—

The Master: Yes, and you can do the same thing and you can do it for September and October. 13820

Q. This light oil is another name for toluol, isn't it?

A. No, sir.

The Master: Objection sustained. The question is perfectly ridiculous on its face. Light oil includes among its elements toluol, but it is not another name for toluol.

Q. Did you ever read the contract?

A. Yes, sir.

Q. Did you ever read the cost pamphlet?

A. Not thoroughly. I read parts of it that I was interested in. 13821

Q. You read the parts you were interested in, is that what you said?

A. Yes, sir.

Q. You know what I refer to when I say cost pamphlet?

The Master: That red covered pamphlet.

Mr. Ransom: The paper that Mr. Armstrong produced yesterday.

Q. Which was marked for identification?

A. Yes, sir.

Q. When Mr. Addicks told you to get these papers

13822 John H. N. Armstrong, Cross.

ready last week did he tell you what to set up in the exhibits, and what to leave out?

A. No, sir, he did not.

Q. What did he say to you?

A. He wanted a summary of the charges made against the government, and a statement of payments made by the government, and that is exactly what I gave.

Q. Did he tell you how to set it up?

A. No, sir.

Q. You called Mr. Addicks and Mr. Carter the
13823 executive officers of the company. Are they so known?

A. They are executive officers, yes, sir.

Q. You called them the executive officers?

A. No, I did not.

The Master: No, he did not. He said his method was approved by executive officers.

Mr. O'Brien: Well, I copied it down as the man said it.

The Master: You make a mistake once in a while.

Mr. O'Brien: I do, I am glad to confess it.

Q. Mr. Armstrong, how many cubic feet of gas do
13824 you get out of a gallon of oil?

Mr. Ransom: Objected to.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Have you gone into these figures to see how the gallons of light oil said to be produced compared with the manufacturing results of the company in other years?

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. In making up the charges to the government, was there any effort made to calculate the value to

the consumers of the elements extracted from the gas by the government?

Mr. Ransom: Objected to.

The Master: Objection sustained.

Q. Did you consider the drop in candle power and heat units that resulted from the government's extracting the light oil from the gas?

Mr. Ransom: Objected to.

The Master: Objection sustained.

Mr. O'Brien: Your Honor, I assume you are sustaining objections here and making your rulings because of the provisions of the contract. 13826

The Master: Because it is not proper cross-examination.

Mr. O'Brien: Well, we have here the man whose title would indicate he has conserved the finances of the company, and he has made up these charges and these are supposed to represent the claim of the company against the government. Isn't that proper cross-examination, for me to bring out whether or not they took any steps to get all that the consumers were entitled to?

The Master: I don't care whether they took all the steps or did not take any steps. I am not trying a case of the consumers against the gas company. 13827 I am not at all interested in whether this company got all that they could get out of the government or not in the last analysis in this case.

Mr. O'Brien: No, but you are here and you must determine and you must make a finding on what are reasonably, economically, efficiently, legally the operating expenses in the year 1918, chargeable in a rate case to the consumers under the 80 cent rate law.

The Master: Not at all. My present judgment is, unless I change my mind, that in view of the

peculiar and difficult situation arising in 1918, that I shall disregard that year entirely in my calculations. That is my present view about it.

Mr. O'Brien: Well, if you will say that with some definiteness—

The Master: I cannot say it with definiteness, because I have to wait until the case is in, but if I have reliable data of other years from which I can say as a fact that, disregarding all of these complicated situations arising in 1918, it cost this company 72 cents in all human probability to

13829 make, produce and distribute the gas, leaving 8 cents profit per thousand cubic feet as the return on their investment, I am going to do it, if I can in any possible way reach my decision upon reliable data excluding 1918.

Mr. Ransom: The factors as to 1918—

The Master: What is that?

Mr. Ransom: I say the factors as to 1918 were not, as I see it, abnormal. What were the abnormal factors in 1918, as compared with other years?

The Master: Well, this toluol changed the entire situation.

13830 Mr. Ransom: During a part of the year.

The Master: Yes, and a substantial part.

Mr. Ransom: Toluol was extracted.

The Master: Six or seven months.

Mr. Ransom: But it did not change in any way the cost because the very thing which your Honor has in mind was done, they found out what had been the average use of oil at each of these plants.

The Master: You need not concern yourself about what I said. I said, if there is any difficulty. Perhaps I had better put it this way: If

when the case is in, from the point of view presented by the defendants, I can see that these situations arising in 1918 create doubts as to the cost of operation, I shall try to make my decision on other years. That is all I can say.

Mr. Ransom: If there are abnormal factors appearing in 1918, or any other year, they may, of course, be disregarded.

The Master: You need not fuss about it.

The Master: You can't put a soft pedal on the Master's ruling. I hope your Honor will bear with us as we go along, because we feel it is very 13832
important. We feel that there is a claim or credit on the books under the heading of the affiliated companies for a large amount of money that they are going to seek to get from Uncle Sam, and that it must be charged up to the operating expenses for the year that it refers to.

The Master: All right. Next question.

Mr. O'Brien: Now, in regard to the questions that I have been pursuing with regard to the witness, let me put my position before you again.

The Master: I know your position.

Mr. O'Brien: That they have taken the cream off the gas, they have given it to the government 13833
and they served the consumers the skimmed milk, and they are trying to bill this to the government at the price of skimmed milk. That is the simile that will ring clear to your Honor's mind.

The Master: I am not trying that kind of a question. I am trying a rate case, what it costs to make and distribute gas.

Mr. O'Brien: If they entered into a contract with the government that was improvident, they cannot be executed because they were helping the government.

13834 John H. N. Armstrong, Cross.

The Master: Well, then, I will ignore that period altogether.

Mr. O'Brien: What?

The Master: I will ignore that period if necessary.

Mr. O'Brien: Well, while we have a man called comptroller on the stand, I think it is proper to find out how far he did attempt to conserve the interests of the consumers.

Q. Were you consulted about these contracts, Mr. Armstrong?

13835 Mr. Ransom: I object to that.

The Master: Objection sustained.

Q. What are your duties as comptroller?

Mr. Ransom: Objection to that.

The Master: Objection sustained.

Q. Do you sit with the executive committee in their work?

The Master: Objection sustained.

Q. Did you make any recommendations with respect to these contracts made with the United States government?

Mr. Ransom: I object as not cross-examination.

13836 The Master: Objection sustained.

Q. When you said with respect to the first column on these two exhibits that you took the figures from the books, will you state particularly what books they were?

A. The operating ledger.

Q. Set up in a particular account, gas production?

A. In several accounts.

Mr. Ransom: Objection.

The Master: Objection sustained. I asked him those questions myself.

Mr. O'Brien: Well, he did not make that clear, your Honor.

The Master: Perfectly clear.

Q. What other account beside the gas production account?

Mr. Ransom: Objection.

The Master: Objection sustained.

Q. Did you use in making it up?

The Master: Objection sustained.

Q. Were those figures handed to you by the accountancy department, or did you get them yourself out of the books?

Mr. Ransom: That is objected to.

The Master: Objection sustained, the witness has testified he checked up every figure on those two schedules. 13838

Q. When you say you checked them up, what do you mean?

Mr. Ransom: Objection.

The Master: Objection sustained.

Q. Did you go over all of the calculations of the accountants who made them up?

Mr. Ransom: Objection.

The Master: Same ruling.

Q. Coming to the insurance column, Mr. Armstrong, I will ask you if the policies of insurance are kept for each station property separately? 13839

A. Filed separately?

The Master: No, is each station insured by separate policy for the property?

Mr. O'Brien: Like a given block or lot.

The Witness: It insures the destructible property at each plant.

By the Master:

Q. By a separate policy?

A. I believe so. I believe the policies are separate for each one.

Q. What I imagine Mr. O'Brien is getting at is this:

13840 John H. N. Armstrong, Cross.

You said that the 21st Street plant, for instance, was insured for some four million dollars?

A. Yes, sir.

Q. How did you get that figure?

A. I took that from the insurance schedule, which indicates the amount of insurance that was placed on the 21st Street plant.

Q. What is the insurance schedule? What do you mean by the insurance schedule?

A. That is the destructible property based on the cost to reproduce—the present cost to reproduce.

13841 Q. Where is that schedule?

A. In the engineering department.

Q. Did you look at the policies?

A. No, sir; I did not look at the policies.

Q. So that, as I understand it, instead of looking at the policies you looked at your records showing the schedule of insurance carried on different pieces of property?

A. Yes, sir, and I also verified it from the insurance bills as we paid the premium.

The Master: Now, I am not going to let you ask whether the company insured itself, because it is fully spread on the record as to how the in-

13842 surance is carried by a mutual arrangement between the gas companies.

Mr. O'Brien: We have not got that, your Honor.

The Master: Yes, you have. I will not allow any more.

By Mr. O'Brien:

Q. In this arrangement of the insurance between the various companies, do they go through the form of a policy?

Mr. Ransom: I object.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Or is that regulated by simply a schedule?

Mr. Ransom: Same objection.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. And by bookkeeping?

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Have you compared those rates with the regular rates of insurance in vogue in the city?

Mr. Ransom: Same objection.

The Master: I will allow that.

A. I took the rate actually paid. 13844

The Master: Then you did not compare it with the rates charged to the clothing manufacturers, for instance.

The Witness: No, sir.

Q. I call your attention to sheet 5 on Exhibit 178, purporting to show the properties at the 21st Street station, and I ask you whether in making the computation for the insurance items on Exhibit 348 you used the sum total or in any form the insurance upon the whole of the properties located on Blocks 953, 979, 952, 978, 987 and Lot 35 in Block 951?

Mr. Ransom: Objected to. I do not think it is proper cross-examination. 13845

The Master: I will allow it.

A. I can only answer that in this way, that I used the total amount of insurance carried at the plant. I do not know what is on those particular blocks or lots.

Q. How is it set up in the insurance schedule, by plant?

A. No, it is shown in detail there.

The Master: Put under the heading "21st Street plant"?

The Witness: Yes, sir.

Q. It says, "21st Street plant," does it, and gives each block?

A. It shows just exactly what is insured.

The Master: Each house?

The Witness: Yes, sir.

The Master: And the fixtures?

The Witness: Yes, sir.

Q. It gives all the buildings does it?

A. Yes, sir.

Q. You took a certain percentage of the total amount of insurance charged up against the whole station?

A. I took the total amount—to arrive at a rate
13847 only.

Q. For my benefit, state just how you worked out that percentage and reduced it to cents per thousand cubic feet?

A. The total amount of insurance carried multiplied by the rate of 22 1/2 cents would give the total premium; that premium is divided by the average annual make for the six years from 1912 to 1917, and that gave a rate I think of 58/100 of a cent, and that is the amount we charged the government. We charged $37 for insurance only.

Q. The same procedure was used with regard to 99th Street?

13848 A. Exactly the same.

Q. With the total amount of insurance for that station, including all the buildings that are there?

A. Yes, sir.

Q. Mr. Armstrong, do your calculations here on the charges made to the government assume that 40 cubic feet of commercial gas will produce a gallon of oil?

Mr. Ransom: I object on the same grounds as before.

The Master: I will sustain the objection.

Mr. O'Brien: Exception.

Q. Do your calculations of these charges to the government assume that there is in every 40 cubic feet of commercial gas a gallon of oil?

Mr. Ransom: I object.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Have you formulated any other claims under the contracts against the United States government?

Mr. Ransom: Objected to.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Have you recommended to your superiors that 13850
a claim be made against the government for any other losses or expenses incurred by the company in connection with the production of the light oils for the government?

Mr. Ransom: Objected to.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Do you know whether the complainant purposes making such claims against the government?

Mr. Ransom: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Have you been asked to make any calculations 13851
of the losses and claims against the United States government in connection with the project of producing light oils other than those that have already been embraced in the bills filed monthly with the government?

Mr. Ransom: Objection on the same grounds.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Did you in making up these figures also make up similar figures for the affiliated companies?

Mr. Ransom: Objection.

13852 John H. N. Armstrong, Cross.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Have you been over the reports made by the Astoria Company to the Public Service Commission for 1918?

Mr. Ransom: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Have you analyzed in connection with your work the supplementary reports or amendments and corrections made by the Astoria Company to its an-
13853 nual report for the year 1918, made to the Public Service Commission?

Mr. Ransom: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Who was the government representative at both the 99th Street and 21st Street stations? Who approved of the reports that were made as to the *quantum* of light oil extracted from the gas furnished by the complainant?

Mr. Ransom: Objected to as immaterial.

The Master: I will allow the question.

A. At 21st Street I think there were three during
13854 the period of operation. I remember the names of two; Goldsmith and Schuman were their names.

Q. What is that second one?

A. S-c-h-u-m-a-n?

Q. S-c-h-u-m-a-n?

A. Yes. At 99th Street the inspector there was also Schuman, but not the same man or any relation, you understand. But the same name.

Q. You understand they were not related?

A. Yes, sir.

Q. Who else besides Schuman at 99th Street?

A. That is all.

Q. Schuman was there for the whole period?

A. Yes, sir.

Q. During which the gas was turned on for the government?

A. Yes, sir.

Q. Did these same men approve the bills of the affiliated companies?

Mr. Ransom: Same objection.

The Master: Objection sustained.

Mr. O'Brien: Exception.

Q. Did they approve of the reports made of the monthly production of light oil, made in the affiliated companies? 13856

Mr. Ransom: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. Who did represent the government in connection with the reports, monthly reports of light oils extracted, with the affiliated companies?

Mr. Ransom: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception. I now move to strike out the testimony of the witness, your Honor, on the ground that it appears that these figures were not prepared by him, that the calculations, except in some small particulars, were made by accountants who are still with the company and who have not been produced, and that certain other of the underlying data was prepared and personally gone into by the superintendents of the stations at 99th Street and 21st Street; on the further ground that they do not comprehend all of the claims which should be made against the government by the companies, to the end that the interests of the consumers in this rate case may be properly conserved. 13857

I object on the further ground that it does not appear that the company will not still further make claims against the government in addition to those already filed; on the further ground that the presentation of bills to the government, and this data which is taken from such bills in part, represent merely the intepretation which the company has given to the contract, and that it should not foreclose the consumers who are interested in the prices that they pay for gas and in the operating expenses, as are
13859 to be shown in this case—it ought not to foreclose them from their claim that larger amounts of money should be claimed and received or secured from the government for the quantity of illuminating and heating powers and elements that were extracted from the gas and never returned to the consumers during the period that the government was operating this plant.

I object on the further ground that the figures without the supporting data and without the other elements that I say are lacking, are valueless, and they are further valueless and should not be received in evidence because they only
13860 tell part of the story without the record and underlying data of the claims of all the affiliated companies against the government for the gas that was furnished and other materials that were furnished to the government in the plants of said affiliated companies.

The Master: Motion denied.

Mr. O'Brien: I note an exception to your Honor's ruling.

Mr. O'Brien: I now move to strike out the testimony of the witness Addicks bearing upon toluol and the expenses in connection with the

toluol production or light oil production of the complainant company, for the reason that it now appears more clearly that the witness Addicks did not know from his personal knowledge the exact figures that were involved, and that all he could know about it was what was submitted to him by Mr. Armstrong, and that the complainant has taken the position, by the production of the witness Armstrong, that the testimony of the witness Addicks was of no value upon the subject of the toluol project.

On the further ground that even with the further production of the witness Armstrong and the meagre testimony that has been offered through him, we still have unexplained and unsupported the figures which have been claimed to represent the loss to the consumers of the various elements in the gas which was turned over to them, the consumers, during the period when the government was operating these experimental institutions at 99th Street and 21st Street. 13862

The Master: Motion denied.

Mr. O'Brien: I note an exception to your Honor's ruling.

The Master: Do you want to ask any questions, Major Clark? 13863

Mr. Clark: I have no questions at this time.

(Witness excused.)

Mr. O'Brien: It will be understood that we can recall him, with your Honor's approval, for further cross-examination?

The Master: If I think there is anything that is necessary, I will let you recall him.

13864 George E. Woods, Direct.

GEORGE E. WOODS, recalled.

DIRECT-EXAMINATION CONTINUED BY MR. RANSOM:

Q. Mr. Woods, when you were last on the stand, you testified as to how you determined the values of the 48-inch and the 36-inch mains jointly used by the Consolidated Gas Company and other companies?

A. I did.

Mr. O'Brien: May I ask counsel, so we will clearly understand each other as we go along, and not be giving way to controversies now and
13865 then when witnesses are pulled off and put on again, just what the purpose of the witness's testimony is?

Mr. Ransom: Mr. Woods was put temporarily on the stand when Mr. Teele's mother died, and while Mr. Teele was under examination. We reached a certain point in Mr. Woods' testimony, and which we now have to resume. The purpose of calling Mr. Woods is a very broad one. He is the man who knows most—

Mr. O'Brien: Very broad.

Mr. Ransom: Very broad.

The Master: We are going into the cost of
13866 manufacture with Mr. Woods.

Mr. O'Brien: Is that your guess, your Honor?

The Master: Well, that is my guess. I have been told a number of times that he can tell us a good deal.

Q. Will you state now how you determined the value of the other properties upon which the percentages were calculated, that is, the 30-inch transfer main, so-called, running from the Bronx end of the Astoria tunnel to the Kingsbridge holder?

A. It was based upon the value of a main of that size which could be laid under the conditions under which it was laid at that time.

The Master: Is that the main that is really 48 inches.

The Witness: That is the main that is really 48 inches.

The Master: I thought we had covered that.

Q. You estimated the value based on the cost of a main of similar size?

A. Yes, sir.

The Master: Under similar conditions?

The Witness: Under similar conditions.

Mr. O'Brien: Judge, didn't he use the word "cost" before. He didn't say "value." 13868

Mr. Ransom: He said value based on cost. That is what I understood him to say.

Mr. O'Brien: I say "Good morning" to value. I have not heard that word before from Mr. Woods.

The Master: Next question.

Q. For the holder and accessories at Kingsbridge, how did you determine the value to which the percentages should be applied?

A. That was based on the value of a holder of 5,000,000 cubic feet capacity, with the necessary accessories of a holder for the handling of the gas in and out.

13869

Q. That is, a valve house and appointments?

A. A valve house, boilers, exhausters and appurtenances, the things that go with it.

Q. How about the land; what part of the value of the land did you take in connection with the holder?

Mr. O'Brien: Objected to as incompetent, irrelevant and immaterial. It does not appear from the record that the witness used in any case the value of anything. He spoke about costs, as I recall it, and he spoke of where he

made computations as to the amount of rental that ought to be charged to these other companies. I submit, your Honor, that it is not fair, it is not candid, it does not expedite this case, for counsel to undertake to surreptitiously prove values through a witness that has been called here for something else.

The Master: Objection overruled.

A. It is based upon one-third the value of the property located at Fordham and Harlem River.

The Master: Do you mean one-third of value

13871 or one-third of cost?

The Witness: One-third of cost in that case, what we paid for it.

Q. To this holder which you calculated would be necessary for the use of these other companies, you allocated land representing one-third of the cost of the entire holder site?

A. Approximately that, yes.

The Master: I am quite sure we had all this.

The Witness: Yes.

Mr. Ransom: I think not—

The Master: Mr. Woods and I agree that we have. Go ahead.

13872 Q. Following the calculation of the carrying charge did you make a recommendation to the Consolidated Gas Company, that the charges be apportioned and fixed on the basis which you have described?

A. I did.

Q. Do you know whether the proportionate charges for 1918, and prior thereto, according to that calculation, were agreed to by the complainant and the other companies using the property?

A. They were.

Q. Have you prepared a tabulation setting forth in a summary form your testimony as to the facilities

of the Consolidated Gas Company used jointly by the Consolidated Gas Company and other gas companies, the value of the property as determined by you, the relative use of the facilities, and the annual carrying charge on the property?

A. I have.

Q. And if interrogated concerning each of the properties and figures set forth on this tabulation, would your testimony be as stated on this schedule now produced by you?

A. It would.

Q. And this shows the basis on which those 13874
charges were made, and the details of the figures, is that so?

A. That is correct.

Q. In the column marked No. 1 in parenthesis, you have listed the various properties concerning which you have already testified?

A. Yes.

Mr. O'Brien: You might pass that around and let us know something about this examination.

Mr. Ransom: I will when it is in evidence, or I will now.

Q. In the second column you have put the value 13875
of the property as taken for the computation of charge?

A. I have.

Q. And the third column the per cent of use by the complainant, as you have already testified?

A. That is right.

Q. That applies only to this 48-inch connecting main between 71st Street and the East River?

A. That is right.

Q. In the fourth column, the percentage of use by other companies to which you have testified?

A. Right.

13876 George E. Woods, Direct.

Q. And in the fifth column the value of the portion of property used by other companies, based on the percentage of use?

A. Right.

Q. And the sixth column, the rate of annual charge by the Consolidated Gas Company are the rates to which you have testified?

A. Right.

Q. Seventh, the amount of annual charge to the other companies for each of these items of property are based on the application of that rate of charge

13877 to the value of the portion of property used by other companies?

A. Right.

Q. And in the eighth column you have shown what you describe as a six per cent return on the value of the portion of the property used by other companies?

A. Right.

Q. And in the ninth column, the portion of charge shown in column 7 applicable to taxes, insurance, maintenance, repairs, renewals, etc., concerning which you have already testified?

A. Right.

13878 Q. And the figures shown in the various columns with respect to the various items of property have been totaled at the bottom?

A. That is right.

Q. And if separately interrogated you would give each of these figures as to each of these properties?

A. Yes, sir.

Mr. Ransom: I offer it in evidence.

Mr. Chambers: May I ask the witness a few questions about it? I do not think your Honor will admit this paper.

Mr. O'Brien: I wonder if counsel thinks he can go ahead with his case with this practice and arrive at any fair conclusion that the law will uphold? I think it is absurd.

Mr. Chambers: I think we should have a chance to object to each question as they are put. You cannot wholesale this kind of testimony. We are being deprived of our right to object to the questions as separately put.

Mr. Ransom: This is the detail computation, it simply shows the basis of charge which he took. 13880

Mr. O'Brien: I cannot condemn too severely this method of trying to surreptitiously prove facts. The witness has not, in the first place, qualified as an expert, the witness has not qualified as an expert on values, or as an expert on any of the other things that enter into this calculation, secondly, there are at least half a dozen factors that have got to be proven before his testimony could be received, and it is opposed to our intelligence to think he could ever put that matter over here.

Mr. Ransom: It is not proof itself of value, but it is the basis of the charge. 13881

Mr. Chambers: Shall I make my objection?

The Master: Yes, make your objection, and I will rule.

Mr. Chambers: I object to the paper upon the ground—

The Master (interrupting): I am trying to let it in on the theory it is a basis upon which the charge was made, and with the distinct understanding that it does not prove the value of property, nor does it in and of itself prove the percentage of use, nor does it in and by it-

13882 George E. Woods, Direct.

self prove any other items; it merely shows the basis of the charges made. Now state your objection?

Mr. Chambers: I object to it on the ground it is incompetent, irrelevant and immaterial, and that the witness has not qualified as an expert on the value of land, nor the value of mains; that it would deprive us of the right of objecting to the questions as they are put if separately put; it is hearsay and secondary evidence.

The Master: Anything else, Mr. O'Brien?

13893 Mr. Chambers: It calls for an operation of the witness's mind in making a portion of it.

Mr. O'Brien: I object to this paper as incompetent, irrelevant and immaterial; on the further ground the witness has not qualified here as an expert upon the value of land, on the value of buildings or the cost of building construction, upon the cost of mains; upon the cost of connections, pipes and fittings and holders and all of the other paraphernalia that apparently is involved in this schedule. On the further ground that the foundation has not been laid for such testimony, if it were on all other grounds admis-

13884 sible, by testimony as to the intercorporate relations between the complainant company and all the other companies that are hooked on to these mains and this holder. We have not here before us clearly the story of just who does partake in the use of the mains in question and the holders in question. On the further ground that apparently a great deal of this is extraneous to the gas business. The use and the necessity of the extension of these mains into the territory where the complainant has no franchise, that has not been proven and it is not in this case, so far as we know. And on the further

ground that various factors have been apparently used by the witness in making up these figures, and are wanting, and without those factors, without the underlying data, these figures mean nothing and they are of no value in this case, and the paper is on that ground inadmissible.

The Master: The objection is overruled, and exceptions allowed. The paper is received in evidence as Exhibit No. 350.

The paper was marked Complainant's Exhibit No. 350.

Mr. O'Brien: Are we to understand that the 13886
limitations placed upon the part the exhibits may play in this case extend so far as to declare that the paper is not even some evidence on the question of values of the properties that I described, or any part?

The Master: I won't take it as any evidence of the value of the properties.

Mr. Ransom: It is only offered as a graphic statement of what the witness has testified to.

Q. Mr. Woods, when you were on the stand before, you testified that you had kept yourself informed concerning the cost of labor and materials in the operation of the gas manufacturing plants of 13887
the Consolidated Gas Company. I now ask you whether you have also kept yourself informed as to cost of labor and materials in the operation of gas plants other than those belonging to the Consolidated Company?

A. I have.

Q. Since you have been with the Consolidated Company have the features of gas manufacture and send-out, been closely under your observation and within your charge?

A. They have.

13888 George E. Woods, Direct.

Q. Have you participated in the selection of material and the employment of labor for gas production?

A. In the selection of material I have had something to say. Outside of the question of coal and oil, which, while the matter has been brought up, the purchases and the selection of those things were left to Mr. Addicks and Mr. Gawtry.

Q. Are you consulted concerning coal and oil from time to time?

A. I am.

13889 Q. And except as to coal and oil, are you also consulted from time to time by the purchasing department?

A. I am continually.

Q. Concerning the selection of material?

A. I am.

Q. What materials you think should be bought, what kind and what types and what qualities?

A. That is right.

Q. And you are responsible through the superintendent for the selection of labor?

A. I am, through the superintendent.

Q. And are personally and closely in touch with

13890 that?

A. I am.

Q. And are the engineers, superintendents and gas men employed by the company in the manufacture of gas under your direction and supervision?

A. They are.

Q. And do you have charge of the maintenance and repair of the plants of the complainant?

A. I do.

Q. Have you charge and control of the labor and materials in the maintenance of the plants and their use for manufacturing purposes?

A. I have.

Q. And similarly have you complete charge of the employment of labor and the selection of materials and the operation of the Standard Gas Light Company?

A. I have.

Q. As engineer of manufacture of the Astoria Light, Heat & Power Company, have you immediate charge of the operations of the gas works of that company?

A. I have.

Q. And likewise of the employment of labor?

A. I have. 13892

Q. And the use of materials?

A. I have.

Q. In the manufacture of gas and the maintenance and operation of the Astoria works?

A. I have.

Q. Mr. Woods, can you state do you know and can you state the location of the various plants of what have been referred to as affiliated companies?

A. I can.

Q. Will you do so?

A. The Standard Gas Light Company, foot of 115th Street and East River.

Q. Is that the only plant of the Standard? 13893

A. That is the only manufacturing plant. Central Union plant—

Mr. O'Brien: The only manufacturing plant?

The Witness: That is the only manufacturing plant. The Central Union plant at 138th Street and East River; the New Amsterdam plant which is located at East River and Webster Avenue, Long Island City; the Astoria Light, Heat and Power Company, which is located at Lawrence Point, Long Island City; the New York Mutual Company, which is located at the foot of East 11th Street, Manhattan Island.

Q. New York and Queens?

A. New York and Queens is located at Flushing, Long Island.

Q. The Northern Union Company, has it any plant used in the manufacture of gas?

A. No, they get all of their gas from the Central or one of the affiliated companies.

Q. Do you visit these plants of these affiliated companies?

A. I do.

Q. And familiarize yourself with their operations
13895 and affairs?

A. I do.

Q. At each of the gas stations of the Consolidated under your supervision, are records kept according to a prescribed system under your direction, showing the details of all work done, the materials used, with production results and the send-out of gas?

A. That is right.

Q. And are similar records kept at the Astoria Company under your direction?

A. Right.

Q. And similar records also kept at the gas sta-
13896 tions of other affiliated companies?

A. That is so.

Q. And does the superintendent of each gas plant of the Consolidated and other companies, make reports to the Consolidated Company daily and monthly of the details of operation of their plants—the gas production, the send-out and so on?

A. They do.

Q. And are those reports submitted to you regularly in the course of business?

A. They are.

Q. And have been for many years?

A. For many years.

Q. And you examine these reports?

A. Regularly.

Q. And keep in touch with their contents?

A. I do.

Q. Check up on their contents?

A. I do.

Q. Observe and compare operating results?

A. That is right.

Q. Do you know the kind and quantities of materials and labor employed in the manufacture, distribution and sale of gas?

A. I do. 13898

Q. And the prices and the rates paid for such material and labor?

A. I do.

Q. Are some of these plants of the Consolidated constructed for coal gas manufacture and not for water gas manufacture?

A. They are.

Q. Which are coal gas works?

A. 14th Street and 42nd Street.

Q. Which are carburetted water gas plants?

A. 21st Street and 99th Street.

The Master: Right at this point I wish you would spread on the record the method of making gas from coal, and the other methods. 13899

Q. Mr. Woods, will you describe the process of making water gas as it is carried on in the plants of the complainant?

A. Water gas is produced by the decomposition of steam in the presence of an incandescent carbon.

The Master: In the presence of what?

The Witness: Of an incandescent carbon.

A. (Continued.) In the case of water gas manufacture, it would either be anthracite coal or coke. The elements entering into its manufacture are the result of passing steam through the incandescent car-

bon, whereby the steam is decomposed into its two elements of hydrogen and oxygen, the hydrogen being liberated as a free gas and the oxygen combining with the carbon content, so that theoretically we have a water gas consisting of fifty per cent hydrogen and fifty per cent carbon monoxide. In practice, however, we do not get the fifty per cent of carbon monoxide, but there is always a small percentage of carbon dioxide, and that is plain water gas. It is called a water gas because about three-quarters of its volume and three-fifths of its weight, I think, is made up of water,
13901 the balance is from the carbon content of the coal. The carburetted water gas is the admixture of this new water gas with a hydrocarbon gas of some kind, usually made from an oil, which gives off these hydrocarbons, and is mixed with the gas. That, briefly, is what water gas is.

Q. Is water gas itself luminous or non-luminous?

A. Water gas itself is non-luminous.

Q. Does water gas have—

A. It has comparatively low heating power. In theory the water gas would have about 325 b. t. u's, the plain water gas, and in practice about 300.

Q. And to make a commercial product?

13902 A. To make it a commercial product both for illuminating and heating value requires the admixture of some kind of hydrocarbon to bring that about. The plant requires dock facilities, water—

Mr. O'Brien: I object to this. He was asked how he made gas. He is starting in now with something else.

The Master: We will leave that for a further question.

Mr. Ransom: It really involves the process.

The Master: No, he says it requires certain facilities. Let us get over the general picture

of what water gas is. As I understand it I get the impression, Mr. Woods, that the term "water gas" comes from the fact that you start off with steam.

The Witness: Yes.

The Master: From which you begin to throw off your gas?

The Witness: If I would be permitted to describe the apparatus you would probably get that a little bit better, your Honor. I have described the theory of water gas. The operation of a generator would probably show you how it was 13904
made. If that is what you would like to have me do I will do it.

The Master: No, I do not think we need spend time on that. As distinguished, from water gas, give us a general statement of the manufacture of coal gas.

The Witness: Coal gas is the result of the destructive distillation of coal, the volatile matters of which under the influence of heat are separated from the mineral content. Those volatile matters when in the process of coal gas manufacture, wherein you use a retort or a closed vessel usually called a retort—as a result of this 13905
destructive distillation you get gas and by-products in the way of coke, tar and ammonia. In the case of the Astoria Company they have a product called cyanogen. The usual by-products are coke, tar and ammonia.

The Master: What is that used for, that cyanogen?

The Witness: Why, it is used in the dye business quite largely. It is also used in the mining business, for the extraction of gold. But it is used quite largely now for dyeing purposes.

13906 George E. Woods, Direct.

By the Master:

Q. Do you use oil at all when you make coal gas?

A. For enriching purposes.

Q. What do you mean by enriching purposes?

A. The ordinary coal gas will make anywhere from fourteen to sixteen candle power, depending upon the kind of coal that you are receiving, with the heating value running from 5.80 to 6.10, depending upon the coal and the quality of gas that is being made.

Mr. O'Brien: 5.80 to 6.10?

13907 The Witness: 5.80 to 6.10, and it might be a little higher. I might say that coal gas, speaking roughly, would be about five cubic feet to the pound, or 10,000 feet to the short ton. Now, you can make from 9,500 feet to the ton to 10,500 to the ton, and your b. t. u's. per pound of coal carbonized or your candle power in feet per pound of coal carbonized would be approximately the same. As you lower your yield you increase your heating value and you increase your candle power value. As you go up the reverse happens, your heating value goes done and your candle power goes down. So that between those ranges, insofar as the value is concerned, 13908 the heating value or lighting value, there is very little difference.

Q. In order to bring it up to twenty-two you would then have to enrich it with an oil, would you not?

A. In order to enrich it you have to enrich it with oil or water gas. You can mix the two gases and make a commercial product in that way.

Q. You have always got to enrich the water gas, have you not?

A. Well, when you make a rich carbonized water gas and mix that with the coal gas the mixture gives

a commercial product. In other words, we might make a carburetted water gas of *27*, *28* or *29* candle and mix that with the coal gas, so that the average would be a gas of *22* candle power in the distillate.

There are other means of making oil gas, and that is the retort system, whereby you inject oil into a retort and make a straight oil gas, this gas passing away and mixing with the coal gas to bring it up to its *22* candle power. Those two methods are employed by the Consolidated Gas Company.

By Mr. Ransom:

Q. What is the carbon content of water gas and 13910
what is usually derived from it?

A. The carbon content derived usually from anthracite coal is coke.

Q. Will you describe the buildings which are ordinarily required and necessary for the manufacture of water gas?

Mr. O'Brien: Just the buildings you are asking him for?

Mr. Ransom: Yes, what are the buildings? What buildings make up a plant?

Mr. O'Brien: If the witness tells what plant they have there is no objection.

The Master: No, I will take it this way. In 13911
order to make water gas what kind of a building or buildings do you need first?

Mr. O'Brien: I make objection to the questions on the ground that the witness is not qualified as an expert.

The Master: Objection overruled.

Mr. O'Brien: He has been a practical man in this company for a number of years and began as a boy of 14.

The Master: I remember his qualifications. The objection is overruled.

Mr. O'Brien: But we are going now apparently into the scientific and theoretical proposition.

The Master: I would rather have a practical man give me the scientific part of it. What buildings do you need to make water gas?

A. We require coal sheds to start with.

The Master: What for?

The Witness: For the purpose of storing coal that we are using—that is for the current storage being used every day. We require a generator house in which the generators and the apparatus, auxiliary apparatus in connection with generators, is placed; a boiler house, exhauster houses, blower houses.

13913

Q. What is done in the blower houses?

A. That is for the purpose of having a forced high pressure blast for putting under the bars of the generators for making water gas.

Q. How about shaving scrubbers?

A. I have not finished all the buildings yet.

Q. All right, go ahead and describe them.

A. There are purifier houses, condenser houses, meter houses; then there are the auxiliary houses for blacksmith shops, carpenter shops, governor houses in connection with the holder.

13914

Q. Are there fitting shops?

A. Fitting shops, pattern shops, storage houses for material.

Q. Did you mention meter houses?

A. I think so. I mentioned the meter houses.

Q. And so far as tanks are concerned, anything as to storage tanks?

A. Storage tanks?

Q. Yes.

A. Well, there are storage tanks for oil, tar and

drip oil. You would hardly call them buildings, though.

Q. Is there space or sheds required for the storage of coke?

A. Yes, we have coke storage for our current supply.

Q. And space for the placing of ashes and other material before it is removed?

A. Well, we have to have ground for all that space, the docks and accessibility to the water, storage for large quantities of coal on hand and for spent material in the way of oxide. 13916

Mr. O'Brien: I object to that part of the answer as not responsive and as giving his conclusions. He says, "We have to have water facilities."

The Master: I will allow it.

Mr. O'Brien: Exception.

Q. From your experience and judgment are there advantages in economy in locations at the waterfront?

Mr. O'Brien: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

A. I should think it would be extremely expensive if we did not have them. 13917

Q. Under New York City conditions?

A. For the receipt of material it is absolutely necessary. For the disposing of spent material. When I say absolutely necessary, to be operated economically in any way, we must have those facilities for the disposal of material, and we use large quantities of water for condensing purposes, which in our case is salt water, which would cost a great many thousand dollars per annum if we had to use Croton water.

The Master: You mean fresh water?

The Witness: Fresh water.

Q. That would involve the cost of cartage or transportation by land?

A. Yes, sir.

Q. Will you describe further the process of making carburetted water gas? Is it a continuous or intermittent process?

A. The modern method of operation is called the intermittent method. In the case of the Consolidated Gas Company the prime apparatus consists of three
13919 shells. The first is the generator in which the coal or coke is placed, the fire started, and a high pressure blast put on this, bringing the coal or coke up to a high temperature, a temperature that will decompose steam. This bed of fuel will be anywhere from six to eight or nine feet in depth.

After the period of blowing in which this material has been brought to this period of incandescence, the steam is passed through that for the production of plain water gas. I might say that in connection with the generator are three shells which are all connected, the next shell being the carburetter, which is designed for the purpose of breaking up the
13920 oil; and the third shell is the superheater for fixing the oil. They are combined, and during the blow-up period the waste products from the generator pass through and into the carbureter where any of the carbon monoxide that has not been consumed in the generator is burned at that point for the purpose of bringing the heat up into the carburetor. These gases then pass into the superheater and the sensible heat from these gases heat the temperature which will fix the gases for commercial use.

From there on the gas passes through these three into a take-off pipe, through a wash-box into the balance of the apparatus.

The method of operation is a period of blow and then run, that is, you turn the air blast on and bring the generator and the carbureter and the superheater up to the proper temperature. Having done that the blast is shut off, the stack valve at the top of the superheater is closed and steam is drawn in either at the bottom or the top of the generator, depending upon the kind of run you are making. In the modern process steam can be put either up or down. That is for the purpose of keeping a good fire condition. All up runs tend to make a bad fire condition, and a down run helps it. These things are 13922
changed from time to time, depending upon conditions.

From there the blue gas or water gas that has been made in the generator passes into the carbureter, at which point there is a spray of oil. This oil mixing with the water gas from the generator, passes down through the carbureter into the superheater at its base, then passing upward and out into the washbox as described.

A blowing period may be anywhere from 2 1/2 to 6 or 7 minutes, and a running period may be anywhere from 3 to 10, depending upon the condition of the blast and the kind of fuel you are using 13923
at the time.

The gas after leaving the washbox, passes through what is known as a foul main, through condensers for the purpose of cooling the gas down. The gas leaving the superheater will run anywhere from 1250 to 1400 degrees. Passing through this washbox, which acts both as a cooler and as a seal during the blow, brings the temperature down to about 185 or 190 degrees, so that the gas at that point is about that temperature. The gas then passes through this foul main into the condensers, where it is cooled

13924 down to a temperature of from 90 to 110 degrees, depending upon the condition of the plant.

From there is goes into a relief holder. The relief holder is designed and is used because the process is an intermittent one, and if there was no relief holder, the balance of the plant capacity would be infinitely larger than it is at the present moment, that is, in modern conditions, because there would be a period of time when you were drawing off a large quantity of gas, and another period doing nothing, so that a relief holder is used in order to keep prac-
13925 tically a constant make of gas during any period of time.

From this point the gas passes to the exhauster, which draws the gas from the relief holder, passes it through P and A tar extractors, to remove tar, through vertical shaving scrubbers for removing the light oils.

Q. Just describe the shaving scrubbers. What are they?

A. A shaving scrubber is a vertical cylindrical shell from 17 to 25 feet in height, and 10 to 12 feet in diameter. The gas is admitted at the bottom and passes up through these layers of shavings, simply
13926 a matter or absorbing and picking up the light oily matters contained in the gas. That same work could be done in the purifier, but at the expense of the purifing material, because when the iron oxide which is used for purification becomes smeared over with the oil, it does not perform its work, and it is hard to revivify, and the object of the shaving scrubbers is for the purpose of relieving the work on the purifier and reducing that expense. The gas after leaving the scrubbers, passes into the purifiers, which are vessels usually rectangular or square in shape; they may be 20 by 20 by 24, 20 by 36, and anywhere

from 4 to 6 or 7 feet in depth. The gases passes in some cases up through the material, if it is a single layer box. This layer material is made up of iron oxide with shavings, the purpose being for lightening up the mass so that it can go through without material back pressure. You can use any good oxide, you can use iron borings, having them thoroughly oxidized, some methyl oxide may be used, and there are some by-products, in the way of bauxite, that may be used at times.

Q. What is removed from the gas in the purifying house?

13928

A. Sulphuretted hydrogen. The double layer box, for the matter of economizing space, where the flow of gas is split sometimes in the center, and sometimes one way or the other, instead of going through two layers or one single layer, it is divided, and half goes one way and half goes the other way.

Q. Would this sulphuretted hydrogen be a dangerous or undesirable element if it is permitted to remain in the gas?

A. Well, I don't think it would smell particularly good. Anyhow, one of the requirements is that we must get it out, and so that is what we do.

By the Master:

13929

Q. One of the statutory requirements?

A. One of the statutory requirements.

Q. That you must extract the sulphuretted hydrogen?

A. That we may not have more than a trace of surphuretted hydrogen. It does not say it shall be free of sulphur, but it does say we shall not have more than a trace of sulphuretted hydrogen.

Q. After leaving the purifier what happens?

A. After leaving the purifiers, it is metered in what is known as station meters. These meters are what are known as wet meters, volumetric entirely.

13930 George E. Woods, Direct.

They may be anywhere from ten to sixteen feet in diameter and about the same length. They have a horizontal shaft through the center; they are filled with water about two-thirds of that diameter, and partitioned something in the way of an Archimedian screw, the gas going in at one end and pushing the screw around and coming out at the other. The gas thus driving the meter. It will take a pressure of about one-tenth of an inch to drive the meter. The volume displaced is recorded by means, of gears, et cetera, as to the amount of gas registered.

13931 Q. These meters mechanically register the quantity of gas?

A. They do.

Q. And it is the figures taken at this point, and by means of these meters, which constitute the make of the company, as it is referred to?

A. That is right.

The Master: There isn't any way from the time you start making the gas until it comes through these meters, that gas goes off in any other direction, it has to come through this process and reach these meters?

The Witness: That is right.

13932 Q. Where does it go from the meters after the gas has been measured?

A. From the meters it goes to the plant holders, and from the plant holders some of it may be distributed on to the district, and some of it pumped into the transfer mains and delivered into other holders.

Q. Some may go into the holders located adjacent to the plant, the works?

A. That is right.

Q. And go from there immediately to distribution on the district?

A. That is so.

Q. Or it may go from the holders by means of the transfer mains to holders on other districts?

A. That is right.

Q. By the use of pumping facilities?

A. By means of pump facilities.

Q. Will you similarly describe the buildings that are used in coal gas manufacture?

A. Coal gas requires coal storage, and based upon unit of capacity, considerably more would be required than in water gas. In view of the fact that you get a great deal more thousand cubic feet of gas per ton of coal out of carbureted water gas than in 13934
coal gas, the unit of capacity for coal storage must be a great deal larger.

For coal gas there is the retort house, which contains the carbonizing chambers or retorts for the destructive distillation of the coal. You have retort houses, condenser houses, boiler houses, ammonia scrubber houses, purifier houses, meter houses, and the auxiliaries in the way of blacksmith shops, pipe shops, carpenter shops, pattern shops, storage room for material, and such incidental buildings.

Q. Have you mentioned boilers and exhausters?

A. I think I mentioned the boiler and exhauster houses.

13935

Q. Will you describe the process of manufacturing coal gas in a similar way as it is carried on in the plant?

A. Coal gas in the case of the Consolidated Gas Company is produced in horizontal stop-end retorts, some of which are mechanically operated and some of which are manually operated. The coal is placed into these retorts by means of a scoop, and is left in for a period running from four to six hours, it requiring about that length of time under our conditions to burn off the charge. These retorts have a mouthpiece from one end. From this mouthpiece a

stand or ascension pipe, as they call it, a cross pipe, and a dip pipe into a hydraulic main, which is partially filled with water and acts as a receptacle for collecting some tar, some of the water as a result of the destructive distillation, and also acts as a seal when the retorts are open for drawing or charging. The gas at this point goes through a primary condenser, and from there to an exhauster. In the case of coal gas we have no relief holder or anything of that sort. The gas is drawn immediately from the retort as it is produced, the exhauster being regulated by the
13937 amount of gas that is flowing; that is, it is being regulated by the pressure exerted on the main itself, the governor being so designed and set as to carry whatever necessary pressure is needed in the inlet side of the exhauster in order that we may have as little pressure as possible on the retorts.

From this point the gas goes through a secondary condenser for cooling down, through ammonia scrubbers for the extraction of ammonia, and through purifiers which are practically the same as for water gas, except that they require about double the purifying capacity in coal gas as they will in water gas.

From there it goes to the meters and from there
13938 to the holders. It is put in the holders in the same way as in water gas. It may be sent out on the district after enrichment from a plant making carbureted water gas, or after enrichment by the use of oil at the particular plant in retorts of about the same design as the retort used for coal gas. Retorts for making oil gas are usually about the same except that they are throughs instead of stop-ends. They are about double the length.

By the Master:

Q. Well, now, making coal gas at each station, unless you enrich it, under the statute now, it is not a merchantable gas, is it?

A. That is right.

Q. The Consolidated Gas Company does not make any coal gas now, does it?

A. At the present moment, no, sir.

Q. It confines its activities to the water gas?

A. At the present time, yes. When I speak of the present time I mean at the present moment, your Honor, because we will have our benches at 14th and 42nd Streets under fire ready for operation before winter comes.

Q. Well, now, take the time when you get these benches in operation, you finish the process of making coal gas at that station, don't you, 14th or 42nd Street? 13940

A. Yes.

Q. And that would be a low candle power gas?

A. Yes.

Q. Do you enrich it at that plant?

A. 42nd Street, yes. 14th Street will be enriched from 21st Street.

Q. You mean you bring down some of the gas from 21st Street?

A. That is right.

Q. To enrich 14th Street?

A. That is right. 13941

Q. But at 14th Street standing alone, there is no way of telling just how much the gas finally delivered to the consumer costs to manufacture, is there?

A. Yes, we could charge them for whatever the amounts—you mean the coal gas itself?

Q. Yes.

A. We could charge them for the enrichment as to whatever they got it up to. We could charge them for the amount of material required to bring that amount of gas up to a commercial product.

Q. What I have been trying to get at, Mr. Woods, is this: Take the 14th Street plant. You make a

quantity of coal gas, and that coal gas will show that you used a certain amount of coal and labor and other materials in that plant?

A. That is right.

Q. Assume now for the purpose of the discussion that that coal gas is sixteen candle power and costs you 25 cents to produce it?

A. Right.

Q. Now, that cost, that figure, will be an accurate definite figure, won't it?

A. Yes.

13943 Q. It will show precisely the amount of material that was used for that plant—the amount of labor used in that plant?

A. Yes.

Q. So that I won't be guessing at that at all, will I?

A. Insofar as that quality of gas is concerned.

Q. Yes.

A. No.

Q. Now, will I be able by anything that you have in these works, or anywhere to demonstrate the cost of enriching to bring it up to 22?

A. Yes.

13944 Q. How?

A. Well, I don't know whether it would be to your satisfaction, your Honor. I will tell you what you do.

Q. How would you do it?

A. I will tell you what they do in the case of some of the other companies, which would apply in the same way. For instance, we take the Astoria Company, at times the New Amsterdam Company, which may be enriching part of the Astoria Company's coal gas, that gas might have a value of, say, 14 or 15 candle power, and we want to bring it up to 23 or 23 1/2; we will make a carbureter water gas of say,

28 candle power, and we find we use an efficiency of say six candles to the gallon. In other words, for every gallon of oil that you use you can bring a thousand feet of gas up six candles; if that gas is 14 candle power and you made a commercial gas of it which was 23, we would have brought it up nine candles, and that would require 1 1/2 gallons of oil to have brought that up to the 23 candle power. Now, for every thousand feet of coal gas we charge them for a gallon and a half of oil which has been used in water gas manufacture. That amount would be debited to the coal gas price and credited to the 13946
water gas.

Q. How about the labor?

A. The labor of the operation involved in that production insofar as coal and water gas is concerned would be of minor consequence, nothing, because if we put that amount of oil in we have got about the same amount as it would be if running on a smaller quantity, so that the principal item involved is the material.

Q. That is the oil?

A. Yes.

Q. In other words if you take, according to your theory, a thousand cubic feet of coal gas at 14 or 13947
15 or 16 candle power—

A. Whatever it may be.

Q. And add to that the cost of the oil?

A. The cost of the oil.

Q. Then you would get the cost of that coal gas enriched to 23?

A. That is exactly the way we determine the cost of our coal gas at the Astoria plant.

Adjourned to Thursday, October 16, 1919, at 9 A. M.

Last Complainant's Exhibit 350.
Last Defendants' Exhibit MM.

CONSOLIDATED GAS COMPANY OF NEW YORK vs. NEWTOWN, ETC., *et al.* 13951

Before ABRAHAM S. GILBERT, Special Master.

NEW YORK, October 16, 1919.

Met pursuant to adjournment.

Present: MR. RANSOM, MR. VILAS and MR. GOETZ, of Counsel for Complainant.
MR. CHAMBERS, of Counsel for defendant Newton.
MR. HAYWARD, MR. CLARK and MR. NEUMANN, of Counsel for Public Service Commission. 13952
MR. O'BRIEN, of Counsel for defendant Swann.

GEORGE E. WOODS resumed the stand.

DIRECT-EXAMINATION CONTINUED BY MR. RANSOM:

Q. Mr. Woods, at the adjournment hour yesterday, you had described the method pursued of determining the cost of enriching coal gas to the required candle power by mixing it with a high candle power water gas. Would you consider the method that you described a sound and accurate method? 13953

A. I would.

Q. And a fair and dependable way of determining the actual cost of such enrichment?

A. It is.

Q. These buildings and structures which you described yesterday as necessary and useful in connection with coal and water gas plants, are they generally of the sort and type used by the complainant company?

A. They are.

Mr. Chambers: Please do not answer, Mr.

13954 George E. Woods, Direct.

Woods, until we get a chance to object. I object to that on the ground that it is for the Master to say whether they are or not.

The Master: You mean generally used by the complainant?

Mr. Chambers: Yes, that is for your Honor to say.

The Master: Objection overruled.

Mr. Chambers: Exception.

Q. As between coal gas plants, Mr. Woods, and water gas plants, will you say that more or less land is
13955 necessary for a coal gas plant than for a water gas plant?

A. For a given capacity it would require about three times the amount of land for a coal gas plant than for water gas.

Q. And as to plants, how do they compare?

The Master: What do you mean by that?

Mr. Ransom: Does it require more buildings and the like?

The Master: Equipment, you mean?

Mr. Ransom: Yes.

A. That is, the actual plant?

The Master: The construction and equipment.

13956 Mr. Ransom: Yes.

Mr. Chambers: I object to it on the ground it is incompetent and has no bearing on the case.

The Master: I will take it. I do not see what bearing it has, but I will take it. Do you need more equipment and construction for water gas, or less?

The Witness: It requires the expenditure of about twice the amount of money per unit of value.

The Master: For what?

The Witness: For coal gas than water gas.

The Master: In other words, the manufacture of coal gas is more expensive than the manufacture of water gas?

The Witness: The investment is more than double.

Q. Mr. Woods, can you state the location of the different holder stations of the affiliated companies?

The Master: I do not think I want this witness to tell us the location of the holders. We have got that.

Mr. Ransom: Of the affiliated companies.

Mr. Chambers: It it not all on that diagram? 13958

Mr. Ransom: No. Will you give the location of the holder stations of the affiliated companies?

Mr. Chambers: I object to that as incompetent. How is that material?

The Master: You gentlemen for the defense have been shouting here ever since the case started about going into the affiliated companies. Now, they go into it, and you object.

Mr. Chambers: That is why I want to raise the point.

The Master: Do you want them to go into the question of the affiliated companies?

Mr. Chambers: What is that? 13959

The Master: Do you not want them to go into the question of the affiliated companies?

Mr. Chambers: I do not see how they can help it, but I want to see their position and see whether they think they should.

The Master: Objection overruled.

Mr. Chambers: I want to force them into a position of saying it is necessary.

The Master: But they are offering it.

Mr. Chambers: Let him say so then.

The Master: I do not care about that. It is

13960 George E. Woods, Direct.

a lot of nonsense about forcing people into doing something.

Mr. Chambers: Later they will claim it should not be.

The Master: I do not care what they are going to claim.

A. The New York Mutual have holders at East 11th Street.

Q. The New York Mutual has holder stations where?

A. At East 11th Street.

13961 Q. Adjacent to its plant?

A. Adjacent to its plant.

Q. At 11th Street and the East River?

A. 11th Street and the East River.

Q. How about the other companies?

A. The New Amsterdam Gas Company has a new holder located at East 15th Street. They also have holders located at West 58th Street and holders in Long Island City at Webster Avenue and the East River. The Standard Gas Light Company have holders located at the plant located at 115th Street, and 63rd Street and Avenue A. The Central Union Gas Company have holders located at East 137th Street and East 138th Street. The Northern Union Company have holders located on Webster Avenue in the Bronx, and on Westchester Creek.

13962

The Master: Is that all?

The Witness: I do not think I have missed any of the affiliated companies.

Q. Which of the manufacturing plants of the affiliated companies are coal and which are water gas plants?

The Master: He did not say anything about the Astoria Company.

The Witness: The Astoria Company have a holder station at their Astoria plant.

A. The Astoria Company is a combined coal and water gas plant. The Central Union Company have a combined coal and water gas plant. The New York Mutual, the New Amsterdam and the Standard are water gas plants. The Northern Union has no manufacturing plant.

Q. What is the relation of the distributing station or the holder station to the manufacturing plant?

A. The gas is made as described yesterday, passes through the meter into the plant holder and from that point part of this gas may or may not be distributed from that point into the distributing mains, the consumers' mains, and the balance of the gas passing through the transfer system and going into the holders of either the Consolidated Gas Company or one of its affiliated companies for distribution. 13964

The Master: They are really storage tanks or holders for gas?

The Witness: They are all holders.

Q. Except as to size, are the holders and distributing stations of the same general type?

A. That is so.

Q. And are the manufacturing plants of the affiliated companies of the same general type which you have described? 13965

A. Right.

Q. What are the respective functions of the distributing mains and service mains and meters?

A. The distributing mains are those mains being supplied from the works or distributing holders, pressure being regulated to comply with the regulations, gas being distributed throughout the city through these lines.

The Master: Tell us about the service mains and meters?

The Witness: Service is a line running from

the distributing main into the consumers' premises, and to that are attached the meters for the registration of the gas for the consumers. All of the service lines are connected to the distributing mains and not the transfer system.

Q. Mr. Woods, you testified yesterday that you had been familiar from year to year with the rates of pay of the different classes of labor employed by the complainant company in its plants?

A. I have.

Q. And with the increases that have been made
13967 from time to time?

A. I am.

Q. And you dealt with those increases as the problem has been presented?

A. I did.

Q. From your knowledge of those matters and the records of your company have you been able to refresh your recollection by way of a comparison of the hourly rate for week day wages paid by the Consolidated Gas Company of New York at its 21st and 99th Street plants?

A. I have.

Q. And is this statement which I have here a sum-
13968 mary of the matters concerning which you would testify if interrogated in that respect?

A. It is.

Q. That is to say, in the first column here, or you have shown by different departments the different kinds of labor for the years 1906, 1914, 1917, 1918, 1919, and then the September, 1919, situation, the first 1919, referring to the eight months of 1919?

A. As of January 1st.

Q. Of January, 1919, and then the final figure as of September, 1919?

A. September 20th.

Q. And the number of men?

A. That is right.

Q. And the maximum rates of pay, maximum hourly rate?

A. Yes.

Q. And the minimum rate?

A. Yes.

Q. And the average rate?

A. That is right.

Q. And then you have also computed the increase in the hourly average rate, in the first place the increase between January, 1914, and September, 1919, 13970 and in the second place the increase between January, 1906, and September, 1919?

A. That is so.

Q. And the figures to which I have referred relate to wages for straight time only?

A. That is right.

Q. And you have also indicated upon this statement the change made in the basis of pay for overtime, holiday and Sunday work, and the number of shifts and the time when those changes became effective?

A. That is so.

Q. If interrogated separately you would testify, 13971 with your recollection as thus refreshed, to each of the matters set forth in this statement?

A. I would.

By the Master:

Q. I take it, Mr. Woods, that you knew personally about these hours and wages and time and labor?

A. I did.

Q. That you did not remember all of those details, but refreshed your recollection by reference to records?

A. That is so.

13972 George E. Woods, Direct.

Q. Having referred to those records your memory was refreshed so that you could now testify under oath that these were the figures and those were the data?

A. I can.

By Mr. Ransom:

Q. And this first sheet which I have refers to gas production, repair labor, handling material, miscellaneous laborers, indexers, governor house men, wash men, and with a recapitulation, and in similar way with a second sheet relating to manufacturing stations,
13973 holder stations, mains and service department and the shop department, with a similar recapitulation?

A. That is right.

Mr. Ransom: I offer them in evidence.

The Master: As one exhibit or two.

Mr. Ransom: As one exhibit.

Mr. Chambers: I would like to ask a few preliminary questions before making my objection.

The Master: Motion denied.

Mr. Chambers: Exception. I object to this upon the ground that it is incompetent, irrelevant and immaterial, a self-serving declaration, as hear-
13974 say, secondary evidence, and not the proper way to prove the wages paid the employees of Consolidated Gas Company, and improper in this case, because the question is what was actually—one of the questions is what was actually paid these men and whether the amount paid was reasonable, and not what was the average rate or the maximum rate or the minimum rate.

The Master: Objection overruled.

Mr. Chambers: Exception.

The paper was received in evidence and marked Complainant's Exhibit No. 351.

By the Master:

Q. What do you mean by this first subdivision here, "Gas Production" as distinguished from other items there? Are those the men who worked upon the manufacture of gas?

A. That is the labor that in our accounts is charged to gas production.

By Mr. Ransom:

Q. And gas production has a definite meaning under the uniform system of accounts?

A. Yes.

Q. That is gas production labor is under the uniform system of accounts an account to which certain kind of labor is charged? 13976

A. That is right.

Mr. Chambers: I object to that as incompetent.

The Master: Proceed.

Q. Mr. Woods, similarly have you refreshed your recollection and made up in a summary form a statement concerning the different kinds of labor at the 21st Street station, and the 44th Street station in 1906, when that was operated, and the 99th Street station, and then the total of water gas stations for the years 1906, 1914, 1917, and eight months of 1919, showing the labor cost per thousand cubic feet of gas made at each of these plants? 13977

A. I have.

Q. You are familiar with the amount made at each of these plants?

A. Yes, sir.

Q. And have set that forth in this table?

A. That is right.

Q. And have shown the labor cost per thousand cubic feet made at each of these stations?

A. That is right.

The Master: How is that arrived at?

The Witness: This is taken from the actual records of payments at those stations during those periods.

Q. That is the actual labor outlay at each of these stations?

A. Yes, sir.

The Master: Is that cubic feet or thousand cubic feet?

The Witness: Thousand cubic feet.

The Master: What is this 44th Street, in 1906?

13979 Mr. Ransom: That is the plant that was largely condemned by the city so that its operation was terminated and the land taken by condemnation.

Mr. Chambers: I object to that—

Mr. Ransom: That has already been testified to by Mr. Aldrich. He showed what little is left of that.

Mr. Chambers: Then why testify to it again?

Mr. Ransom: Because the Master did not recall.

By the Master:

Q. What is this one here, gas production, labor,
13980 labor handling, handling residuals, and repair labor, total cost of account of labor—I am talking now about 1906, 121,000 odd?

A. That is right.

Q. What are these other items, works expense, gas storage, distribution?

A. These are expenses largely represented by labor, but there is some material.

Q. Why is that in this tabulation?

A. We could not entirely segregate the three last items, namely, works expense, cost storage at plant, and cost distribution.

Mr. Ransom: If the Master please, Mr. O'Brien is not here, and he may be ill. Perhaps we should not go on.

The Master: Yes, we will go on.

Mr. Chambers: Perhaps he is overworked.

The Master: So am I.

Q. Now, it is your testimony that the cost per thousand cubic feet, the labor cost, is shown in the third column in 1906?

A. That represents the cost production, labor of handling material and residuals and labor repair, but there are other items of labor in works expense, cost 13982
storage at plant, and cost storage distribution, but is not all labor.

Mr. Clark: I cannot understand these questions, because I haven't a copy of this statement before me about which the witness is being interrogated.

Q. This comes from the books, does it?

A. That comes from the books.

Q. Who took this from the books?

A. Under my directions, partly by myself, but absolutely all under my direction.

Q. Did you do any of the computation?

A. I did. 13983

Q. Are you prepared to swear that all these figures are correct?

A. I will.

The Master: Show it to the other side.

Mr. Clark: May we have these questions repeated that the Master asked?

The Master: No, you may study it and you will understand it.

Mr. Clark: We have only one copy here.

The Master: I can't help that. He says he has had some copies made and will give them to you.

13984 George E. Woods, Direct.

Mr. Ransom: The copies will be here in a little while. This shows graphically the rates of increase, and a very marked increase.

The Master: I can see that. So does this other.

Mr. Chambers: May I ask a few preliminary questions?

The Master: Yes.

By Mr. Chambers:

Q. Now, these figures in 1906, what book did you take this from, Mr. Woods?

13985 A. The records in the accounting department.

Q. No, I want to know what records, that is just my point?

A. It is a book showing the detail in the way of a statistical record for the purpose of segregating these accounts.

Q. What do you call the book?

A. I do not recall. I think it is called—well, statistical record cost of gas, I should say.

Q. It has not been offered in evidence here?

A. I don't know whether it has or not.

Q. You know what books were offered in evidence for 1906, don't you?

13986 A. For 1906—I do not.

The Master: The minute I let you ask him these preliminary questions you go roving off into something else.

Mr. Chambers: I want to know what books he used.

The Master: Well, he knows and he has told you. How does he know whether it was offered in evidence or not?

Q. What else did you use?

A. I got all my information from records, from which I was able to get all the information that is

contained there, in its segregated form, the accounts which we have kept for the purpose of keeping in touch with the different costs per thousand cubic feet on these different kinds of work.

Q. Were you there in 1906?

A. I was.

Q. In charge of this?

A. In charge of which?

Q. In charge of the labor at the 21st Street station?

A. I was.

Q. Who made up those records that you used? 13988

A. They were made in the accounting department.

Q. You don't know anything about it; you didn't make them up?

A. No, I didn't make the records. I analyze the records and go through them and check them, but I did not make them.

Q. You mean you analyzed them in 1906?

A. I probably did in 1906.

Q. Well, did you?

A. I should say I did, because I make it a business to check things right along, so I presume I did in 1906, as I do today.

Q. What other records did you use in 1906? 13989

A. I am telling you I could get all the records from the accounting department which contain that material.

Q. We would like to know what you did use.

Mr. Ransom: I object to this line as not preliminary. The witness has a right to refresh his recollection from anything he pleases.

Q. I want the name of the book or books.

A. I have told you I started from the statistical records. I would not undertake to tell you right now what the name of the book was, or what it was called.

Q. Was it a book?

13990 George E. Woods, Direct.

A. Absolutely.

Q. And you found it there in the accounting department?

A. I did.

Q. You don't know the name of it?

A. I do not.

The Master: I will hear any objection you wish to offer.

Mr. Chambers: I object to the admission of the paper on the ground that it is incompetent, irrelevant and immaterial, and based upon records

13991 which have not been offered in evidence and not identified, as hearsay and secondary evidence.

The Master: Objection overruled.

Mr. Ransom: Exception.

The Master: The paper will be received in evidence.

Mr. Clark: I make the objection that the paper is evidently made up from things which are not original books of entry, of which the witness has no personal knowledge.

The Master: Objection overruled.

Mr. Clark: Exception.

Paper received in evidence and marked Exhibit

13992 352.

By Mr. Ransom:

Q. Mr. Woods, how much does it cost to make and distribute water gas in the territory served by this complainant?

Mr. Chambers: I object to that as incompetent, irrelevant and immaterial. That is the question which the Master is to determine. Why not ask him one question—

The Master: I think I will have to sustain that.

Mr. Chambers: Why not ask him if your complaint is true, and rest.

The Master: I think I shall have to sustain that objection.

Q. Mr. Woods, do you know how much generator fuel, anthracite, it takes to make a thousand cubic feet of gas?

A. I do.

Q. How much?

A. 32 1/2 pounds.

By the Master:

Q. Is that a recognized quantity?

A. It is.

Q. By gas engineers? 13994

A. It is.

Q. Is there any dispute about it that you ever heard?

A. No. You understand, your Honor—

Q. Different grades of coal?

A. Different grades of coal—the average amount would be 32 1/2 pounds.

Q. You get more out of some coal and less out of others?

A. That is right.

The Master: What I want to know right here, and before I go any further, I want to, from the counsel for the defendants, particularly from Mr. 13995 Maltbie, who is assisting as an expert, is there any question about the average amount of gas that will be extracted from coal? In other words, is there any dispute about this statement just made by the witness, that he can get 1,000 cubic feet of gas ordinarily, out of 32 1/2 pounds of coal; is that right?

The Witness: Water gas.

The Master: Do you gentlemen know anything about it?

Mr. O'Brien: Your Honor, we do not feel

called upon to explain now our defense in this case.

The Master: I am not talking about your defense. Is there any dispute about this one item?

Mr. O'Brien: Yes, there is a serious dispute.

The Master: How much coal is needed for water gas?

Mr. O'Brien: I do not feel called upon to explain that now.

The Master: Then you decline to state?

Mr. O'Brien: I am going to cross-examine
13997 this witness.

Mr. Chambers: I do not think we can state; I do not think it is susceptible of discussion.

The Master: If the attitude of counsel for the defense is not to try to find out what this coal costs, I am going to find out pretty quick. I do not want to hear another word.

Mr. O'Brien: I do not see why you should feel vexed over the remarks I have made.

The Master: Well, I do.

By Mr. Ransom:

Q. Is all the anthracite generator fuel susceptible of generator use, or some part of it found to be neces-
13998 sary to be used for the boilers?

A. All of it that is purchased is not used for generator fuel.

Q. Out of 35 pounds how much goes to the generator and how much to the boiler?

A. 35 pounds would be 32 1/2 pounds to the generator and 2 1/2 pounds to the boiler fuel.

Q. You said over and above that you had to have anthracite boiler fuel. How much anthracite boiler fuel do you have to have per thousand?

A. About 14 pounds; 11 1/2 pounds of which would be an anthracite boiler coal and the 2 1/2 pounds would be the screens from the generator coal.

Q. How much gas oil per thousand?

A. About 4.1 gallons per thousand.

By the Master:

Q. What was the last one?

A. 4.1 gallons of oil per thousand cubic feet.

Q. What kind of oil?

A. Gas oil.

Q. To make water gas?

A. To comply with the statutory requirements of New York.

Q. Are these statistics at all recognized statistics, Mr. Woods? 14000

A. They are.

Q. In any published reports on gas making?

A. I think you can find those amounts and the various amounts of the statutory requirements.

Mr. O'Brien: I object to it as incompetent, irrelevant and immaterial, on the ground that the witness has not qualified as an expert, and on the ground that statistical information would not be admissible anyway.

The Master: Objection overruled.

Mr. O'Brien: Exception.

Q. Are there any published works on gas making recognized? 14001

A. There are a great many works.

Q. What are some of these recognized standard works on gas making—water gas and coal gas?

A. I suppose one of the best on water gas is the Catechism of the American Gas Association.

Q. Is that used by gas engineers at all?

A. Quite largely.

Q. Is it relied upon by them?

A. It is.

Q. In estimating the cost of manufacturing, do engineers look to these published reports at all?

A. This is not exactly a report, your Honor; it is a catechism on gas manufacture.

Q. And prepared by whom?

A. Originally prepared by the education committee of the American Gas Association.

Mr. O'Brien: Will your Honor permit me to record my objection to each of the questions asked along this line?

The Master: Yes.

Mr. O'Brien: Exception.

By Mr. Ransom:

14003 Q. Has the Public Service Commission of the First District also published statistics of this sort?

A. Yes. The book I referred to is not a statistical book; it is a book on engineering.

By the Master:

Q. These figures you have been giving me as to the average quantity of material required to make a thousand cubic feet of gas are statistics generally recognized by gas engineers as the average quantities in general use?

A. Depending on the conditions, your Honor.

Mr. O'Brien: I object.

The Master: Objection overruled. Exception allowed.

14004 The Witness: The quantity depends on the character of the oil and the conditions of requirements, as to what you must make. The 4.10—

Mr. O'Brien: I want to say, your Honor, I cannot understand the witness's answers from the way he talks.

The Master: I cannot make him change his method of talking.

Q. What were you about to say, Mr. Woods?

A. I say the quantity of 4.1 gallons of oil used per thousand is based on my experience in New York

City covering a long period of years, and I have no hesitancy about swearing to their accuracy.

Q. It may vary in other places?

A. It may vary and it will vary from time to time during the course of the year. I do not claim that we will use 4.1 in July and 4.1 in December, but you get an average condition covering the atmospheric conditions and the normal conditions we have in New York City, with the distributing conditions we have. I am testifying under oath it will take 4.1 gallons of oil.

Q. On the average? 14006

A. On the average.

By Mr. Ransom:

Q. Under the 22 candle power law?

A. Under the 22 candle power law.

Q. Can you give us any idea or give us an accurate idea as to the amount of labor required for the handling of boiler and generator fuel per thousand cubic feet under present wage conditions?

Mr. O'Brien: I object as incompetent, irrelevant and immaterial. The question is vague, it does not refer to a specific time or a specific place; it does not describe the conditions under which the witness is asked to give his expert 14007
opinion. The witness has not qualified as an expert, in spite of the years he has been with the complainant company, and being with the complainant company and in their employ for so many years, and under a big salary with them, I do not think he is qualified as an expert anyway, even if he had expert knowledge.

The Master: Objection overruled.

Mr. Chambers: I further object on the ground that it is too general and one of the questions that the Court will determine. It is speculative.

14008 George E. Woods, Direct.

The Master: The objections are overruled. The question is allowed.

Mr. Chambers: Exception.

Q. What about the labor handling of the fuel?

A. The labor conditions as to operation today in the handling of generator and boiler fuel would be about three-quarters of a cent per thousand.

Q. How about what is known as gas making labor?

A. Gas making labor would be 2 1/2 cents per thousand.

The Master: Isn't that on this other exhibit,

14009 gas making labor?

Mr. Ransom: It is figured by different years.

The Master: Let me see Exhibit 352. I do not want to go over this twice (takes exhibit).

By the Master:

Q. Is not this gas making labor, this exhibit?

A. That is gas making labor.

Q. Is that what you are talking about?

A. That is what I am talking about.

The Master: Then I do not want that repeated.

Mr. Ransom: This, of course, is merely the complainant's figure year by year, this Exhibit 352?

14010 The Master: That is all this witness can tell you, that he bases his statement on.

Mr. Ransom: Not entirely. He is testifying to conditions as of today.

By Mr. Ransom:

Q. What did you figure is the gas making labor?

A. Beg your pardon?

Q. Gas making labor?

A. Two and a half cents per thousand.

Mr. O'Brien: I note an objection.

The Master: Overruled.

Mr. O'Brien: An exception.

Q. Repair labor?

Mr. Chambers: Same objection.

The Master: Same ruling.

Mr. Chambers: Exception.

Mr. O'Brien: Exception.

Mr. Clark: Exception.

A. One and a half cents per thousand.

Q. Repair materials?

A. One and a half cents per thousand.

Q. Miscellaneous works and expense?

Mr. Chambers: Wait just a minute until I object. I object to the last question and to this. 14012

The Master: Same ruling.

Mr. Chambers: Exception.

A. One and a quarter cents per thousand.

Q. You testified yesterday that certain iron mass and city water and similar minor materials were used in making water gas. Can you state the cost of these under present conditions?

Mr. Chambers: I object. It is incompetent, irrelevant and immaterial.

Mr. O'Brien: I submit we ought to have time in which to make the objection.

The Master: I am giving you time. Please give me your objection. 14013

Mr. O'Brien: I object as incompetent, irrelevant and immaterial; that witness and counsel talk so fast. I record my objection to the rapidity with which counsel is putting the questions and the witness mumbling the answers.

The Master: Objection overruled.

Mr. O'Brien: Exception.

Q. What is the answer as to iron mass, city water, for minor materials?

A. Iron mass, city water, sundry supplies, etc., one cent a thousand.

Q. What is your figure for renewals and replacements?

The Master: I don't care what his figures are.

Q. What is the cost?

Mr. Chambers: Same objection.

The Master: Same ruling.

A. Three and one-half cents a thousand.

Q. And have you computed the taxes?

A. Ten cents per thousand.

The Master: What do you mean, taxes?

Mr. Ransom: All taxes under present condi-

14015 tions.

The Master: Taxes on what?

Mr. Ransom: On gas making property and gas making apparatus.

The Master: I won't let him testify what taxes are. Objection sustained as to taxes.

Mr. Chambers: I don't think he ought to be allowed to testify to renewals and replacements, he has not shown he is competent.

Mr. O'Brien: It seems to be outside the sphere of the engineer of manufacture.

The Master: I did not ask for any statement. I sustained the objection. There is nothing be-

14016 fore me.

Mr. O'Brien: I move to strike out the answer as to renewals and replacements.

The Master: I will let it stand.

Mr. O'Brien: Exception.

Q. What have you done to ascertain under present conditions in this territory the amount of taxes?

The Master: I won't permit this witness to testify to taxes.

Mr. Ransom: Let us see what he has done.

The Master: I don't care what he has done.

Mr. Chambers: Actual taxes is the thing.

Mr. Ransom: I mean actual taxes.

The Master: The present condition has nothing to do with actual taxes. Taxes will speak for themselves. By determining what property there is and what taxes are assessed, I can figure that myself.

Q. Now, Mr. Woods, can you state the cost per thousand cubic feet in this territory at the present time of coal used as generator fuel?

Mr. Chambers: Same objection.

Mr. O'Brien: I make the general objection that it is incompetent, irrelevant and immaterial, and 14018
the further objection that there is no foundation laid by testimony as to the original records that bear the expense; the witness has not shown himself competent to testify for the reason that the record shows that the purchase of the coal was entirely under the control of Mr. Gawtry or the men in his staff; that the foundations have not been laid by the introduction of proper testimony; that the question calls for a mixed answer as to fact and as to theory, it calls, so far as we can see, for an expert opinion, and there is no evidence in the case on which he can predicate any answer to that question, and I therefore press my objection. 14019

The Master: Objection overruled.

Mr. O'Brien: Exception.

The Master: What does the coal cost?

The Witness: $8.26 per gross ton for generator fuel.

Q. How much in terms of thousand cubic feet?

A. .1198 cents.

The Master: .1198?

The Witness: Yes, sir.

Q. That is the cost of the generator fuel. Now, the boiler fuel, you said, was made up in part of the two and one-half pounds of—

The Master: I know what he said, what is his figure?

Q. What is your figure as to the cost of boiler fuel?

Mr. Chambers: Same objection.

The Master: Same ruling.

A. .0355.

Q. And that is made up of what two elements?

A. That is made up of boiler fuel, anthracite, eleven and one-half pounds, and the screenings from the generator fuel of two and one-half pounds.

14021 Q. And that is considering anthracite boiler fuel at $5.12?

A. The anthracite boiler fuel at $5.12 per ton.

Q. You referred yesterday to—

The Master: Don't say what he referred to yesterday. For Heaven's sake let us save these seconds and minutes.

Q. With respect to residuals, what are the residual credits per thousand cubic feet on account of tar in water gas operation under present conditions?

Mr. Chambers: I object to that as incompetent, irrelevant and immaterial, speculative.

The Master: I will assume that the objection

14022 expressed as to other questions is made here, you can say the same objection. Same ruling.

Mr. Chambers: Exception.

Mr. O'Brien: I object to that question—

The Master: I understand counsel are objecting to this entire line of testimony.

Q. How much tar do you get?

A. .65 of a gallon.

Q. And what does that give?

A. Four cents a gallon, the credit would be .0262.

Q. And how about drip oil, how much?

A. About .06 of a gallon, at a price of .057, the return would be .0035.

Q. Can you give the precise figures in gallons as to drip oil?

A. .0615 a gallon.

Q. And as to tar?

A. .656.

Q. Making a total residual credit of how much?

A. Of .0297.

Q. Making your net cost of materials how much?

A. .3932.

Q. And making your cost of manufacture how much?

A. .4701. 14024

The Master: Does that include taxes?

The Witness: No, the only item that was excluded, that you did not allow.

Q. What is the cost of distribution under conditions in this territory?

Mr. Chambers: I object to that as incompetent, irrelevant and immaterial.

The Master: I am afraid you are cutting it too short now.

Mr. O'Brien: I am glad to have that question in the record here.

The Master: Mr. O'Brien, please. There is nothing to say now. Stop it, will you? Let us 14025
see if we cannot save a couple of days a week on this.

Mr. Ransom: The Master rules—

Mr. O'Brien: I don't intend to let them prove the case this way.

The Master: I don't intend to have speeches made when they are unnecessary.

Mr. O'Brien: All I will ask is that the record record my objections and my comments.

The Master: Once and for all, I am not going to permit any comments or speeches. This case

has been going on three months, it has taken very much longer than I ever expected. I suppose that I am in honor bound to finish this case if it takes a year, but it is a terribly burdensome thing to me and I am not going to permit another minute to be wasted. The time has come when I cannot do it, and I won't.

Mr. O'Brien: Well, I have objected to the last question.

The Master: There is nothing before me.

Mr. O'Brien: And he did not withdraw the

14027 question.

The Master: Stop it, sit down; sit down.

Mr. Ransom: Your Honor ruled that I qualified him as an expert on distribution.

The Master: I say you are trying to take too short a cut to ask this witness to state what it costs to distribute gas. I have got to have some basis for that testimony.

Q. Are you familiar with the cost of distribution of gas in this territory of Manhattan and the Bronx, not only as to the complainant company but as to other companies?

A. I am.

14028 By the Master:

Q. What is there that goes into the cost of distributing gas? What do you mean by distributing gas? What have you got to do, what do you figure?

A. Everything from the holder, that is the inserting of meters, the attending of complaints, repairs to mains and services, the general operation at the offices.

Q. What do you mean by offices, the commercial offices?

A. The commercial and general offices; insurance.

Q. Insurance on what?

A. Insurance on plant and whatever insurance there

may be. In fact, it covers—all the items of distribution will cover all the expense in connection with the operation.

Q. What have you got to do with it?

A. In a general way in my connection with the Standard Gas Light Company, I have always kept in touch with distribution.

Mr. O'Brien: The witness is now being qualified as an expert?

The Master: The witness is being interrogated by the Master to find out what he knows.

Mr. Ransom: And he is assistant chief engi- 14030
neer of this company.

The Master: I do not think that Mr. Woods is the man to testify to these things. Mr. Woods undoubtedly is the man to tell me all about making gas, but I do not think he is the man to tell me about what it costs for insurance and things of that sort. He doesn't know anything about it, in my judgment. I will cut this as short as possible, but I cannot permit that.

Mr. Ransom: But here is a man who has filled every capacity over a long term of years, a man who is in closest touch with the distribution costs, not merely in this company but in various other 14031
companies. He is the assistant chief engineer.

The Master: Let us save time.

Mr. O'Brien: Your Honor will recall that when we—

The Master: Let us save time for a minute. I am now going to direct you to limit his direct-examination at this time to the manufacturing cost, let the distribution go for a while. We will take distribution a little later. They can cross-examine on manufacturing costs if you are through with that.

Q. Mr. Woods, what effect would the substitution of coke in part for generator fuel have upon the cost of generator fuel in making gas?

The Master: You mean whether there could be a saving?

Mr. Ransom: Yes.

Mr. O'Brien: I object as immaterial, irrelevant and incompetent, on the ground stated in my objection to the witness's answer in regard to coal used in manufacture.

The Master: Objection overruled.

14033 Mr. O'Brien: Exception.

A. In the use of coke, the kind of coke that we are using the quantity of fuel per thousand cubic feet of gas would be more than with a good grade of generator fuel. To offset that the price of the coke is set to make it of an equivalent value of anthracite coal. If you would analyze the cost, however, you would find that the generator and boiler fuel, even with this offsetting, would be less than using straight anthracite, but it is offset by the additional labor as a result of this coal—the using of coke. In the first place, it requires about twice the amount of labor to handle it, coke occupies twice—one ton of coke occupies just twice the space

14034 of one ton of coal, and it requires just double the time in order to handle this material. The making of gas is reduced in the generator, requiring more labor there. The repairs are somewhat higher than when using straight generator coal.

Mr. O'Brien: Just a minute. I object to this speech on the part of the witness as not responsive, and further on the ground that it has become entirely speculatory and even far more objectionable than the testimony already given to which I have objected.

The Master: Objection overruled.

Mr. O'Brien: He might as well ask the witness to decide this case, if he is going to give questions and answers of that kind.

The Master: You have made your objection. Don't argue it. Go ahead.

Q. You say the repairs would be greater?

The Master: I get it that the substance of your answer is that you have given the subject some thought, and you do not think there is any saving in handling coke?

The Witness: That is right.

By Mr. Ransom: 14036

Q. And it would require more gas oil for manufacturing water gas?

A. There would be a slight increase in that.

Q. So that it would be no saving by the substitution of coke for generator coal?

The Master: He don't have to say that, because he has already said it.

Q. What are the principal repairs involved in the operation of a water gas plant?

A. Repairs to station structures cover some amount. The principal items are those of—are the generator house and boiler plant and the coal and coke handling apparatus. 14037

By the Master:

Q. They get out of repair from time to time?

A. Always overhauling them all the time.

Q. Parts get used?

A. Get used.

Q. Worn out?

A. That is so. The water gas machine in its operation will run about 800 hours and then it must be let down and thoroughly overhauled for working again.

By Mr. Ransom:

Q. Recheckered with the checker breakers that have been referred to?

A. That is right.

Q. Do these elements of cost, aside from the operation, or the cost of material and cost of labor run along more or less uniformly from year to year as the volume of work does?

Mr. O'Brien: Objected to as incompetent, irrelevant and immaterial. It is like reducing to a—

The Master: You have made your objection.

Mr. O'Brien: I want to explain my objection.

The Master: I don't want it. If I want an ex-

14039 planation I will ask it. The objection is overruled. I am going, however, to ask the witness a question in a different form: Have you observed, Mr. Woods, in the practical operation of these plants whether they are uniform or practically uniform from year to year?

Mr. O'Brien: I object to the question as incompetent, irrelevant and immaterial, no foundation having been made, the question being vague as to the time, the place and the conditions under which the observations have been made.

The Master: Objection overruled.

Mr. O'Brien: Exception.

14040 The Master: My question was, have you observed it.

The Witness: I have, your Honor.

The Master. Have you watched it from time to time?

The Witness: I have. I am watching it all the while.

The Master: Now, can you say whether they have been uniform over a period of years?

The Witness: They have.

By Mr. Ransom:

Q. What character of items was included under miscellaneous works expense besides dock rentals?

A. Miscellaneous works expense, the labor involved there is the cleaning up, the sweeping.

Mr. O'Brien: Same objection.

The Master: Same ruling.

The Witness: Keeping the place in repair, in fit shape, keeping the place clean, watchmen, janitors, messengers, telephone service, electric light and gas bills, removal of ashes, that is scow charges and dock charges and such incidentals as office supplies, etc., would enter into that account.

By Mr. Ransom:

Q. And your figures as to labor have been based upon cost of labor today as set forth in these exhibits placed in evidence this morning? 14042

Mr. Chambers: I object to that as incompetent.

Mr. Ransom: I will withdraw it.

The Master: Judge Ransom, I want you to furnish the other side with copies of this statement which is not in evidence.

Mr. Ransom: Unfortunately your Honor has ruled that it is not admissible.

The Master: I know it is not, I still hold that it is not admissible, but I am going to ask you to furnish the other side with copies of this, and I am going to ask the other side to let me know as quickly as possible what items they are going to dispute. Now, that is only fair to me, it is only fair to the other side, and it is only fair to the Court. There is no sense in the world why we should sit here for another three months taking evidence and cross-examination about matters as to which there is no dispute. I want to know what items are disputed. This paper I will not permit in evidence, because I do not think it is a proper paper to be permitted in evidence, par- 14043

ticularly on the tax item. It purports to state that it is this witness's summary from which it would appear that this witness would testify, if I permitted him to, that the cost is 83 cents plus per thousand cubic feet of gas, in other words, that it costs to make and distribute water gas three and a fraction cents more than they are allowed to charge for it.

Mr. O'Brien: I want to say in regard to your request that we furnish what might be called a bill of particulars in answer to the statement made

14045 in this, that we have not yet received the inventory—

The Master: Oh, nonsense.

Mr. Ransom: I have furnished copies of this summary.

The Master: One moment. The defendants, or some of them, have had experts at the books of the gas company for months. Now, I think it is due to this Court that the issues be limited, and that the defendants and their experts point out to me within a very reasonable time, and within a very short time, what items are in dispute as to the cost of manufacturing and distributing

14046 water gas.

Mr. Clark: Is this the average?

The Master: I have not analyzed the paper, except that I have looked at it in a general way, and I notice that there are figures indicating what the complainant claims is the cost of manufacturing and distributing gas.

Mr. O'Brien: Is this supposed to be something drawn from the facts or an expert opinion?

The Master: I don't know and I don't care.

Mr. O'Brien: Well, it is a very important thing for us to know that.

The Master: No, this is in the shape of a bill of particulars, it is an itemization of the claim of the gas company, it is something that I am directing them to give you to aid you in determining what they claim. It is an amplification of their complaint. It is something that you have not asked for but that I am directing them to give you in order to help you see just what you have to contend with. On the other hand, I want to know whether there isn't something somewhere that you men will agree to and admit.

Mr. Ransom: May I have this marked for 14048 identification?

The Master: I think perhaps you had better have it marked for identification so we can refer to it.

Paper marked Complainant's Exhibit 353 for identification.

Mr. Clark: The time when these costs are supposed to apply is the most material point in the case.

The Master: Judge Ransom, when do you claim these costs apply?

Mr. Ransom. As of the present time.

Mr. O'Brien: There are some questions that I 14049 would like to ask counsel about this paper.

The Master: Ask them at recess.

Mr. O'Brien: There has been something put on this record about this paper as to what the Master desires defendants to do, and I submit—

The Master: There is one thing I desire you to do that you won't do, that is quite apparent. That is, to stop making speeches.

Mr. O'Brien: I am going to ask this question, and if you want to rule you can rule on it, and that is this: There isn't a specific statement made with regard to what this paper means—

The Master: If you can't read it I will read it for you after we adjourn. I can read it.

Mr. O'Brien: It doesn't say that this is the expense at a particular place, at one station or another, it does not state that it has been built up out of the records of the company, out of the carbonizing books or the other records, as of the present date.

The Master: No.

Mr. O'Brien: It does not fix the date?

The Master: No. Mr. Ransom has said that it
14051 is the claim of the company that the cost of making and distributing gas at this time is as indicated on this statement, which I have directed him to hand you. If you cannot analyze it you don't have to, that is all. If you won't help me shorten this case you don't have to.

Mr. O'Brien: I call your Honor's attention to the fact that yesterday you stated that very likely you would throw out the year 1918 altogether.

The Master: I probably will.

Mr. O'Brien: If you do you will have to throw out 1919.

14052 The Master: I don't care about that. They have to have coal to make gas, they have to have oil, they have to have some repairs made to their plant.

Mr. O'Brien: I understood you to say yesterday that by reason of all the abnormalities of the year 1918 the chances are you would eliminate that entirely from this case.

The Master: This is as of 1919.

Mr. O'Brien: That is the point I am making, that with all the greater force it would apply to 1919.

Mr. Ransom: May I state—

The Master: No, the next question.

Mr. Ransom: I want to give notice—

The Master: No, proceed.

Q. With respect to coal gas can you state the quantity as to the number of pounds of bituminous gas coal which under present conditions in this territory are required per thousand cubic feet manufactured?

Mr. Chambers: I object to that.

Mr. O'Brien: I object to the question as an effort to substitute a hypothetical question and answer for testimony as to the concrete fact as 14054
found in connection with complainant's properties in use in the public service at this time. I object on the further grounds that I have stated when I made my objection to the question to the witness with reference to anthracite coal.

The Master: Objection overruled.

Mr. O'Brien: Exception.

Q. Can you state?

A. 200 pounds of good gas making coal will make a thousand cubic feet of gas.

By the Master:

Q. At a price of $5.90 per gross ton how much will that cost per thousand cubic feet? 14055

A. 52.68 cents.

Q. Now, you have to have boiler coal?

A. Ten pounds in addition to the breeze that we have produced by the coke. In the drawing off of the coke there are a lot of fines, known as breeze, and that is used under the boiler, and in addition to that there are ten pounds of fuel.

Q. At $5.12, how much would that be?

A. 2.29 cents per thousand cubic feet.

Q. Do you have some labor to handle this coal?

A. The cost of handling would be about two cents per thousand cubic feet.

Q. That is your best judgment?

A. That is my best judgment.

Q. Now, the cost of the coal including the handling figures how much?

A. 56.97 cents per thousand cubic feet.

Q. Now, you get some residuals out of this coal gas. What do you get?

A. Coke and breeze for sale for use for other than gas making uses.

Q. And you get some coal tar? A. Yes.

Q. And some ammoniacal liquor?

14057 A. Yes.

Q. And some ammonia?

A. Yes.

Q. And some ammonia sulphate?

A. Yes.

Q. And cyanogen?

A. Yes.

Q. Are those the only residuals you get?

A. Those are the residuals.

By Mr. Ransom:

Q. How much of each?

A. We get 100 pounds of coke—

Mr. O'Brien: I would like to have it appear

14058 clearly on the record that you are asking a hypothetical question. The way you put it it might refer to facts.

The Master: I don't care how he puts it. I will take the witness's judgment.

Mr. O'Brien: Under what conditions?

The Master: Under ordinary general average conditions, sometimes more and sometimes less. That he says is the average right along.

Mr. O'Brien: For how long a period?

The Master: You ask him that.

A. We get 100 pounds of coke at $6.347 per

gross ton, which will give a return of 28.3 cents per thousand cubic feet.

Q. Now, coal tar?

A. 1.2 gallons of tar at 4.4 cents per gallon, which will give a return of 5.28 cents per thousand cubic feet. Ammoniacal liquor on a sulphate basis, 1.5 pounds at 1.76 cents per pound, which will give a return of 2.64 cents per thousand cubic feet.

Mr. O'Brien: It might be courtesy to give us this paper while the witness is being examined and the record is being made.

Mr. Ransom: If you will receive it in evidence 14060
I will give you a copy now.

Mr. Chambers: We won't make any promises.

Mr. O'Brien: I submit that for the last two days counsel has made a practice—

The Master: And I submit that you are making a statement that I have not called for.

Mr. O'Brien: I want it recorded in the record—

The Master: I don't care what you want in the record, it is going to stop.

A. (Continued.) Ammonia on an absolute basis, three one-hundredths of a pound at 12 cents per pound, which would give a return of .36 cents per thousand 14061
cubic feet.

Ammonia sulphate, three-tenths of a pound at 4.85 cents per pound, which would give a return of 1.46 cents per thousand cubic feet.

The Master: This is based on your experience, Mr. Woods?

The Witness: It is.

The Master: These residual figures?

The Witness: They are.

The Master: The prices are the average prices?

The Witness: Average prices.

Mr. O'Brien: I object.

The Master: They are the current prices of today?

The Witness: Current prices of today.

Mr. O'Brien: Your Honor, I call your attention to the fact that when the examination as to this paper began, and I asked for some definiteness in the questions, your Honor stated this is over a period, an average. Now, it appears from the witness's answer—

The Master: I talked about the amount.

14063 Mr. O'Brien: Now it appears that it is not an average.

The Master: I talked about the amount, the amount of coal that he needs, the amount of residuals that he gets.

Mr. Chambers: I submit that he does not know what ammonia is worth.

Mr. Ransom: He knows at present prices.

The Master: If he does not he can correct that. Did you finish with that?

Mr. O'Brien: Same objection.

The Witness: Cyanogen .15 of a pound.

The Master: Per thousand cubic feet?

Mr. Ransom: No, .15 of a pound is realized.

14064 The Witness: At a price of 29 cents per pound it will give a return of 4.35 cents per thousand cubic feet. The residual credit amounts to .4242 cents.

By Mr. Ransom:

Q. What is the cost of handling the residuals, including the extraction of cyanogen?

Mr. O'Brien: Same objection, and I object to the question in its form, because it does not appear whether counsel desires an hypothetical answer or whether he is referring to the concrete

fact in connection with the complainant's property.

The Master: Objection overruled.

Mr. O'Brien: On the further ground that he has not qualified as an expert on the market prices or prices that might be obtained for residuals.

The Master: The objection is overruled.

Mr. O'Brien: Exception.

By the Master:

Q. Mr. Woods, you gave us as the total cost of the coal, including the handling .5697 cents?

A. Yes, that is the handling of coal. 14066

Q. You have given us the total residual credits as .4242?

A. That is right.

Q. The net cost, then, of the material handled per thousand cubic feet, that is, of coal, would be .1455?

A. That is right.

Q. But as against that you say it has cost you something to handle the residuals?

A. That is so.

Q. Including the cyanogen extraction?

Mr. O'Brien: Give us the benefit of an objection and exception to this?

The Master: Yes. 14067

A. That is right.

Q. What has been your experience as to that cost of handling residuals?

Mr. O'Brien: Same objection.

A. The handling of this material will cost five cents a thousand under conditions as of today.

Q. That is your best judgment?

A. My best judgment.

Q. Based on your past experience?

A. Absolutely.

14068 George E. Woods, Direct.

Q. That would make a net cost of the coal used .8955?

A. That is right.

Q. In your judgment?

A. That is right.

By Mr. Ransom:

Q. On the basis of enriching your coal gas to 22 candle power through mixing it with high candle power water gas in the manner you described yesterday, how much oil would it take?

Mr. O'Brien: Same objection; and on the fur-
14069 ther ground, your Honor, that this is entirely vague; it attempts to condense into a simple, brief inquiry, a mass of matter that was only covered in a hurried way near the close of yesterday's session. It is trying to reduce it into a capsule matter that would take a long line of testimony of the witness before it would be admissible, and even if it be admissible it would have no weight in this case.

Mr. Chambers: I want to add now the objection that it is an attempt to prove a hypothetical cost of making water gas and coal gas, and the opinion of the witness in that regard and
14070 that what we are concerned with is what it costs this complainant to make water gas and coal gas, and also what items are included in the cost, so that we may dispute some of them if they are improper, and in this way we cannot tell, we are unable to ascertain how this hypothetical situation is made up.

The Master: Objection overruled.

Mr. O'Brien: I will state further that it does not give the material on which the witness predicates the opinion. If you will hear the question, you will see it is altogether evasive, and the answer will not be of any use.

Q. How much oil?

A. 1.6 cents per gallon.

Q. At a price of 1.6 cents per gallon, how much is the cost of the oil?

A. 9.76 cents.

Mr. O'Brien: Your Honor, it has not been established that is the price of oil at the present time, bought in the open market from those who are ready to furnish oil to gas companies in this state.

The Master: Objection overruled. Exceptions allowed. 14072

Q. In that process do you realize certain credits?

A. Yes, a credit of .25 of a gallon, and 4 cents per gallon would be of credit of one cent, making the enrichment cost 8.76 cents.

Q. What would be the cost of iron oxide and city water in handling spent material?

Mr. O'Brien: Same objection.

A. One and one-quarter cents per thousand.

Mr. Clark: I object on the ground that there are no details given by which we can check this up.

The Master: Same ruling and exception.

Q. What is the cost of gas making labor? 14073

A Nine cents per thousand.

Mr. O'Brien: Same objection, that the witness may not substitute a hypothetical answer to a vague hypothetical question.

The Master: Same ruling.

Mr. O'Brien: Exception. We should have the concrete facts representing the actual cost to the complainant at this time in a plant wisely, efficiently and economically administered.

Q. What is the cost of repair labor?

A. Six cents per thousand.

Mr. O'Brien: Same objection

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. What is the cost of repair materials?

A. Six cents per thousand.

Mr. O'Brien: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

Q. What is the miscellaneous works expense?

Mr. O'Brien: Same objection.

The Master: Same ruling.

14075 Mr. O'Brien: Exception.

A. One and a half cents per thousand.

Q. What is the cost of gas storage at the works and distributing holders?

Mr. O'Brien: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

A. One cent per thousand.

Q. Making your total cost of manufacture as to coal gas what?

Mr. O'Brien: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

14076 A. 53.6 cents per thousand make.

Q. What is the cost to manufacture of one thousand cubic feet sold?

Mr. O'Brien: Same objection.

The Master: Isn't this the cost of manufacturing—.5306?

The Witness: Based on the thousand cubic foot of gas sold it would be .5705.

Mr. O'Brien: Your Honor, the further objection I want to make to this question, in addition to those objections I have already made, is that this question calls for an answer that

would assume expert knowledge on matters that are not within the knowledge of the witness, he not having been shown to be qualified or to have been experienced in every branch of the business that is embodied in this answer. In other words that the witness was presented as the engineer of manufacture.

Mr. Ransom: He was presented as an expert on everything in the gas field, as I explicitly so stated.

Mr. O'Brien: But he did not qualify as an expert on everything. He has been asked now 14078
to give a sum total or aggregate figure that embraces everything that goes into the cost of manufacture up to the time I assume that it goes into the holder.

The Master: I do not think I will let Mr. Woods give a figure based on the amount sold.

Mr. Ransom: I will ask him the question.

Q. Mr. Woods, is it your experience that all of the gas metered as made is the same amount that is metered out as sold?

Mr. O'Brien: I would like to make an objection, if you will pardon me a minute.

Mr. Ransom: You have all the minutes there 14079
now.

Mr. O'Brien: I want to make my objection without interruption.

Mr. Ransom: You have more minutes than the witness, all the counsel, and everybody else.

The Master: Mr. Ransom, I have been trying my hardest to save time here. If you do not help me the net result is I will have to adjourn this trial a month or two, and it will be partly your fault. There is no need of prolonging this discussion.

Mr. O'Brien: I am making my further objection, your Honor, on the ground that it does not appear whether the witness is predicating this opinion on the results at Astoria or in the plant of the complainant company. If it refers to his experience at the present time at the plant of the complainant company I submit that there is no coal gas being manufactured, if we follow our record in this case in the plants of the complainant company at the present time; nor has there been any since January, 1918. So that he
14081 cannot, by referring to an actual experience of the complainant company, predicate any opinion upon the facts as of the present time.

The Master: The objection is overruled.

Mr. O'Brien: Exception.

By the Master:

Q. Is it your experience that the gas that is metered at the manufacturing plants is the same quantity that is metered out to the customer or consumer?

A. It is not, your Honor.

Q. How do you know that?

A. Because I have made an analysis of the entire records. I have made some figures for the purpose
14082 of establishing the unaccounted-for between various companies, and the loss or unaccounted-for of the Consolidated, and its allied companies, as of the year 1918, was a fraction over seven per cent.

Mr. O'Brien: Just a minute, Mr. Woods. I object, your Honor, to getting this on the record. It is not responsive, and the witness is volunteering information that he is not qualified to give, the foundation for which has not been laid, and it is entirely inadmissible.

Mr. Ransom: May I ask the witness a few questions?

14083

Mr. O'Brien: We come to the question of unaccounted-for gas. It will be seriously contended here that by reason of inadequate provision on the part of the company there is an inordinate amount of lost gas, that the cost of making that gas is not accounted for, and should not be borne by the consumer. It is attempted to draw it from the witness.

Mr. Ransom: May I ask a few questions?

The Master: Wait till Mr. O'Brien gets worn out.

14084

Mr. O'Brien: Your Honor, I want to finish my statement.

The Master: I am letting you. I am letting you go as far as you like.

Mr. O'Brien: I know, but you are not letting me when you make comments about getting worn out. I want to finish this statement that the question of unaccounted-for gas is a very important one in the case; that the witness may not substitute for the actual facts here a guess on his part as to the unaccounted for; that we have to have the figures here first before we can even begin to discuss theories based upon mixed fact and theory.

14085

The Master: Next question.

Q. Mr. Woods, is it your business as a matter of your daily duties to keep in touch with the quantity of gas sold?

A. It is.

Q. Do you from that determine the quantity of gas to be made?

A. It is. When I say sold, I will qualify that to this extent, that I keep in touch with the send-out which is representative of the sales.

Q. Have you, with respect to the various companies,

familiarized yourself with the amount of unaccounted-for gas?

A. I have.

Mr. O'Brien: Just a minute, Mr. Woods. I request the Master to tell the witness to wait until I make my objection.

The Master: He cannot always wait.

Mr. O'Brien: In regard to the question, I object to it as incompetent, irrelevant and immaterial. I object on the additional ground, together with those I have already given, that he
14087 has not shown in his question what he means by the various companies. If it is the affiliated companies, then we have got to have the witness who knows all about the various affiliated companies, who furnished gas to the complainant company, because of the manner in which they allege they made computations as to the actual amount of gas bought from the various companies, so that, judging from the question previously asked, and the intimation made by the witness as to the statistics of the other companies of unaccounted for gas, it may be that the witness is about to testify to some other than the
14088 affiliated companies.

The Master: I am going to overrule the objection. What I am going to find out from this witness is how he knows there is a variance from the make and the amount reported to be used —how he knows that. Gas is being used all the time, gas is being metered at the holders and works, and gas is being metered in the shops and homes all the time. How do you know the amount of gas metered in the consumers' places does not tally in some form with the make?

Mr. O'Brien: I make the further objection, your Honor, that it appeared from the testimony of previous witnesses, that instead of taking figures as to the actual unaccounted for gas of the several companies, they had a computation to figure out the credits and debits on their books of transferred gas that they used, in which a uniform percentage was used for the unaccounted for gas of all the companies, and that they do not keep a record of the unaccounted for of each individual company, but they use an average in a certain formula by which they say they de- 14090
termine the cost of the transferred gas.

The Master: Is there an unanswered question?

(The stenographer repeated the following question):

"Q. How do you know the amount of gas metered in the consumers' places does not tally in some form with the amount of the make?"

The Master: The objection to that is overruled.

Mr. O'Brien: Exception.

The Witness: Give me that question again. 14091

Q. How do you know the amount of gas metered in the consumers' places does not tally in some form with the amount of the make?

A. We know, your Honor, covering a period of time—that could not be for a day or two days, but we know covering a period of time the amount of gas that we make and the amount of gas that we have on hand. Covering this time we know what the sales have been covering these periods. Now, the unaccounted for—we know what we have made, we know what there is on hand; if we have more or less on hand at a particular time, between the beginning

and the end of the period, we account for the make or send-out, and in that way if we had a lesser amount on hand, our send-out would have been greater than our make. Then we have the sales from gas used by the companies, which we add together, which is the amount that we have accounted for. The balance is what is known in the gas business as unaccounted for gas: that is, that we have made 100,000 or 1,000,000, and unaccounted for 93 feet or 9300 feet, whatever it may be. That unaccounted for varies from time to time, depending upon the time
14093 of year, the temperature conditions, et cetera, but the normal unaccounted for with our company would be about seven per cent of the allied companies.

Mr. O'Brien: Your Honor, I move to have the witness's answer stricken out, for the reason that it now appears from his answer that he has included in his statement as to unaccounted-for gas of the complainant company the unaccounted-for of the allied companies—combined, all mixed together.

The Master: If you will leave out the affiliated companies do you believe it would vary the figure?

14094 The Witness: You could not compute it, your Honor. You must take it as a whole.

Mr. O'Brien: In the face of his answer just made by the witness I move that all the questions and answers in relation to unaccounted-for gas be stricken from the record, it appearing from the statement of the witness that it is impossible to determine the amount of unaccounted-for gas of the complainant company.

The Master: The motion is denied.

Mr. O'Brien: Exception.

14095

By the Master:

Q. Mr. Woods, is the Brooklyn Borough Gas Company one of your affiliated companies?

A. Not to my knowledge.

Q. As an expert familiar with the manufacture and distribution of gas, can you tell me now whether the Brooklyn Borough Gas Company has any unaccounted-for gas?

A. Absolutely, it must have.

Q. Based on your experience with this and other companies, could you approximate without looking at their records at all what their unaccounted gas percentage probably was?

14096

A. I could not, no.

Q. Is it larger or smaller with various companies?

Mr. O'Brien: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

A. It varies.

Q. Depending on what factors?

A. Depending upon the conditions, the maintenance of their mains, services and meters, etc., which have a large effect on the unaccounted-for gas.

Q. So that if you do not keep your mains in shape you would have a greater leakage?

14097

A. I would have ten or twelve or fifteen per cent.

Q. Based upon your experience with this and other companies would you say seven per cent for unaccounted-for gas is high or low?

Mr. O'Brien: Same objection.

The Master: Objection overruled. This is the witness's expert opinion on it.

Mr. O'Brien: Exception.

A. I should say it would be low.

Q. You should say that is low?

A. That is low. I would qualify that—

Mr. O'Brien: I object. I move to have the question and the answer of the witness stricken out on the ground, over and above the other objectionable features, that he has not shown that he knows what the unaccounted for gas is of the other companies, that even if he knew he would be taking only statistical data, that would not be admissible in evidence in this case; that he has not stated the period as to which he has taken the unaccounted for, so that the hypothetical question and answer being altogether vague,
14099 indefinite and general as to time and place and conditions and companies, is absolutely without force in this case.

The Master: Motion denied.

Mr. O'Brien: Exception.

Q. Based upon the actual amount of gas that is sold by this company you say the cost of manufacture based on these figures that you have given us is somewhat larger than the cost of manufacture of the make?

A. That is right.

Q. What would you say as to the gas actually sold —as to the cost?

14100 Mr. O'Brien: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

A. 57.5 cents.

Q. Now, omit distribution for the time being and omit taxes. Renewals and replacements, does that refer to manufacture and distribution, or only to manufacture?

A. Manufacture and distribution.

Mr. Ransom: He has had charge of that.

Q. These renewals and replacements, so far as dis-

tribution is concerned, have to do with the mains and pipes and things of the sort?

Mr. O'Brien: Same objection.

The Master: Same ruling.

Mr. O'Brien: Exception.

A. The mains, pipes, meters, anything that requires renewal.

Q. I will take your statement of what, based on your experience, is the cost of renewals and replacements, both as to the cost of distribution and manufacture of coal gas.

Mr. Chambers: Same objection. 14102

Mr. O'Brien: I make the same objection.

The Master: Same ruling, with exception.

A. Three and a half cents per thousand.

Mr. O'Brien: I particularly emphasize that the witness has not been called as an expert on distribution; that previously when we made inquiries as to distribution matters at the offices of the complainant company they presented to us formally one Mr. Simpson, who was the expert on distribution. The witness is not qualified, even by experience or in any other way, by studies, to tell us the cost of renewals and replacements as to distribution. I take an exception. 14103

The Master: I shall ask you to call Mr. Simpson to prove that distribution, Judge Ransom, as to mains.

Mr. Ransom: I think, with all deference to your Honor's ruling, that this witness is in a far better position to testify as to the cost of distribution generally.

The Master: I am not going to let him testify what it costs to run offices and commercial branches and collections and things of that sort. It is not in his department, and I will not take

it. I will mark this for identification 354. Will you let the other side have some copies of this Exhibit 354 for Identification?

Mr. Ransom: I have given, I think, three copies to the defendants.

The paper was marked Complainant's Exhibit 354 for Identification.

The Master: Who has a copy, have you, Mr. Chambers?

Mr. Chambers: Yes.

By Mr. Ransom:

14105 Q. These costs are as of this date?

A. As of this date.

The Master: If you will get another copy, Judge Ransom, I would like to have you furnish it to Colonel Hayward and Major Clark. Now, counsel for defendants, I have directed Judge Ransom to give you Complainant's Exhibit No. 354 for Identification. That again is in amplification of their claim as to what it costs them to make gas. I want you gentlemen in good faith, to the best of your ability, to tell me what, if any, item can be agreed upon as being correct, either as to the fact that certain materials are

14106 used and that certain residuals come out, if you cannot do any more than that, at least that, and if you can go further and say that the percentage of residuals that you get out is probably correct, I want that stipulated. If you cannot do it you can't.

Mr. Chambers: We might as well shorten it right now. We cannot do it. We will have to challenge every single item at this time.

The Master: All right. Do you mean to tell me, Mr. Chambers, that you cannot concede that they need coal to make water gas?

Mr. Chambers: I concede they need coal.

The Master: That is something you can concede, isn't it?

Mr. Chambers: I will do that.

The Master: You can concede that they use oil?

Mr. Chambers: I will concede they need some oil.

The Master: There is something you can concede, isn't there?

Mr. Chambers: It won't do you any good.

The Master: Don't you worry about how much 14108
good it will do me. I want you to go over these tabulations, these figures, with your experts, and I want you to let me know just how much you will concede, no matter how small it is. Next question.

Q. Mr. Woods, going back for a moment to water gas cost, will you give the cost of manufacture per thousand cubic feet sold?

Mr. Chambers: To that I object as incompetent, irrelevant and immaterial.

The Master: Same objection, same ruling, exception.

Mr. O'Brien: I object on the ground— 14109

Mr. Chambers: That is a question you were not going to allow a minute ago.

The Master: Yes, in the light of the same inquiry as to the—I am going to let this witness testify just as I did to coal gas, what his estimated cost is on the gas sold. He was not asked that before.

The Witness: 50.61 cents per thousand feet.

The Master: As to the items on Exhibit 353 for Identification I have let this witness testify to the same items exactly as I did on Exhibit 354.

In other words, I have let him give, based upon his actual experience, the cost per thousand cubic feet of various elements and the credits to be given, except that I have not permitted him to testify as to the cost of distribution or to the taxes, because I do not think that this witness should be permitted to state what they paid for clerks, insurance and other items which are not in his department. That I won't do, and I won't let him state how much taxes are applicable.

Mr. Ransom: Well, in my view I think cer-
14111 tainly there are many of those items in distribution with which he is well qualified to testify.

The Master: Well, then, pick out those items, and I will let him testify.

Mr. Ransom: I have seen a record that he has. We may have to have a recess to find it.

The Master: You may have a recess for ten minutes.

I have assumed throughout this case, that an objection by one defendant inures to the benefit of all the defendants, I thought I had that on the record; I likewise have on the record that any ruling made by me is assumed to have been
14112 excepted to by the party against whom the ruling is made, so you need not concern yourselves about objections and exceptions.

Q. Mr. Woods, during the time that you were general manager of the Standard Gas Light Company, did you have charge of distribution and sales of gas?

A. I did.

Q. And in behalf of the Standard Company, have you had charge of their distributing system?

A. I have.

Q. And their commercial department?

A. I have.

Q. And in these other companies to which you have referred before you were connected with the Standard, did you at times have relationships to those matters?

A. I have.

Q. And as consulting engineer, you have been consulted with respect to matters involved in distribution of gas?

A. I have.

Q. You are now chief engineer of the Standard?

A. I am.

Q. And you are assistant chief engineer of the 14114
complainant company?

A. I am.

Q. In the absence of the chief engineer, are you the acting chief engineer?

A. I am.

Q. Who is the chief engineer of the complainant company?

A. Mr. William A. Bradley.

Mr. O'Brien: You refer to the Standard, when you said chief engineer?

Mr. Ransom: He is chief engineer of the Standard, and assistant chief engineer of the Consolidated. 14115

Mr. O'Brien: You mean Mr. Bradley?

Mr. Ransom: No, this witness is chief engineer of the Standard now, and for how long past?

The Witness: Since about 1896.

Q. How old is Mr. Bradley?

A. Eighty-one.

14116

Q. And from time to time in his absence you act as acting chief engineer?

A. I do.

Q. During 1918, were you acting chief engineer of the complainant company during any substantial part of the year?

A. I was.

Q. During about what part of the year, would you say?

A. About eight months.

Q. So that at all times you are familiar with the

14117 matters involving cost of distribution as to these companies?

A. I am.

Q. Mr. Simpson, who is the head of the department of mains and services, is he under the chief engineer or the acting chief engineer?

A. He is.

Q. So that matters in that department come under your jurisdiction when you are acting chief engineer?

A. That is so.

Q. Can you state as of the present time and as to

14118 conditions in this territory, the cost of repairs to mains, services, meters, appliances and miscellaneous repairs, as the same are defined under cost of distribution?

A. I can.

Q. Will you do so?

Mr. Chambers: To that I have the same objection, as incompetent, irrelevant and immaterial; the cost of repairs is not the proper way to prove it.

The Master: Objection overruled.

Mr. O'Brien: Same objection, your Honor, on the ground that it was made to appear when

the witness Gawtry was on the stand that he bought all the material that was used in repairs; on the further ground that it has been represented to us up to the present time in our dealings with the complainant company, both informally and during the progress of the formal trial, that Mr. Simpson was the gentleman who would be relied upon by the complainant to cover matters of distribution, and that he was the authority that was quoted when we had our meeting at the offices of the complainant company with regard to the inventory. I object therefore on those 14120
grounds, and on the further ground that the witness has not shown himself to be qualified either by experience or by laying the proper foundation in this case, as to distribution expenses.

The Master: The question is now limited to repairs?

Mr. Ransom: Yes.

The Master: Objection overruled.

Q. Will you state that figure in terms of cents per thousand cubic feet of gas?

Mr. Chambers: Is this as of the present time?

Mr. Ransom: As of the present time. 14121

Mr. O'Brien: I object, your Honor, on the further ground that as to the distribution of gas concerning which the witness is now asked to give a certain item of expense in hypothetical form on the basis of the unit of a thousand cubic feet of gas, the witness is asked this question where the record shows that there was no separation, and there is no separation of the gas of the complainant company from the gas of the several affiliated companies; that mains and holders for the common transmission of the gases of var-

ious companies are in use, and there is no, so far as the record shows, no means of determining what gas is in any holder, or what gas is in any mains; that judging from the testimony there is gas pumped here and there from one company's holder to another company's holder, and through mains that they use in common, and that they use a certain formula, the reliability of which has not yet been proved, for determining which company is to be debited and which company credited for gas that is thus transferred; that in
14123 the face of these facts, I respectfully submit there is no basis shown by which the witness may determine the cost of distribution, either hypothetically or in fact.

The Master: The objection is overruled.

Mr. O'Brien: Exception.

Q. What is the sum?

A. The distribution, for superintendence, street department—

Q. No, I asked you about repairs to mains, services and so on, simply the repairs item now is all I am asking you?

14124 A. Repairs to mains, services, meters, miscellaneous repairs four cents.

Q. The repair work on mains throughout the companies referred to is under the jurisdiction of the complainant company?

A. That is right.

Q. So as to get standardized conditions as to mains?

A. That is right.

Q. And keep the mains in practically uniform condition so far as possible?

A. That is right.

14125

Q. Can you state the cost of work on consumers' premises, setting appliances, burner work and jobbing sundries in connection therewith?

Mr. Chambers: I object to that on the ground that we are not concerned with appliances sold to consumers. It has no bearing on the issues in this case.

Mr. O'Brien: I object to it as incompetent, immaterial and irrelevant; on the further grounds that I have already stated with regard to the repair items in connection with distribution, and on the further ground that appliances and the appliance business or an industry extraneous to the gasmaking industry, and that the expense of that business may not be charged up in this case, it having been held in the Municipal Gas Company case by the Court of Appeals of New York State, that the losses of the gas making industry may not be recouped by the profits of the electric light branch, or electricity branch of that company's business, the Court taking the view that that matter was entirely outside of the gasmaking industry, and the facts as to the making of gas must stand by themselves. Therefore, the expenses which may have been entailed in work on consumers' premises in connection with appliances, may not be figured in as part of the expense of making gas by the complainant company, chargeable in this case to the consumers in the matter of regulating the price which the company may charge.

14126

14127

I object on further ground, your Honor, that even were the appliance, sales and rentals and expenses applicable to this case and chargeable as part of the operating expense, it appears that the books of account of the complainant company

are not kept so as to show separately all of the revenues and all of the expenses involved in the appliance business, and that therefore, there is no reliable way, so far as we know, in this case, there is no reliable data that may be used by the witness in making this guess, that he is about to give us, as to the cost per thousand cubic feet made of work done on consumers' premises.

Mr. Chambers: May I just say—

The Master: No, I will not hear any further argument. The objections are overruled unless
14129 the witness is about to tell me the cost of fixing appliances, in which event I shall sustain the objection for the time being. All I am willing to take is the cost of repairs and services relating to the distribution of gas, leaving aside the expense of fixing appliances.

Q. Does that item include burner work?

A. Burner work, jobbing—

By The Master:

Q. Does jobbing relate to appliances?

A. It might; it is work on consumers' premises.

Q. Has it to do with repairs to appliances?

A. Repairs would not be in there.

14130 Q. I understand that you might need some work as to fixing a feed pipe to get the gas to an appliance, or repairs to the burners, or something of that sort. I think that all has some relation to distribution, the same as a feed pipe or a light pipe. If your figure relates to and comprehends only repairs to the distribution lines and burners, I am going to take that figure. If it includes anything else, I would rather not take it.

A. The repair work is not considered in the work on consumers' premises.

Mr. Chambers: Repairs to the stoves on consumers' premises— why not be fair about it?

The Witness: I said the work on consumers' premises—

The Master: Am I to understand, Mr. O'Brien that the Public Service Commission requires this company to include in its labor at consumers' premises, such labor as may be applicable to repairs to appliances?

Mr. O'Brien: The Public Service Commission Uniform System of Accounts sets up a number and an account for everything that gas companies 14132
usually do, where they borrow money, et cetera, with the idea of having ready statistical data from which they can make comparative studies in carring on that investigation. Now, from the testimony in this case the title of the account, work done on consumers' premises, includes repairs to appliances and a lot of work that has to be done in connection with it. For instance, inspecting of them to determine whether they are in good or bad order, setting them up and replacing of one by the other.

Mr. Ransom: We are bound by that, we would be guilty of a violation of law if we did 14133
put that thing in that category.

Mr. Chambers: That part of it we are not dealing with just now.

The Master: Is the item as to which you are about to give me the fiugres the item included in account 634-B, Work on Consumers' Premises, as specified in uniform system of accounts for gas corporations prescribed by the Public Service Commission for the First District?

The Witness: Yes.

The Master: Then I will take the figure.

14134 George E. Woods, Direct.

The Witness: Two cents per thousand cubic feet.

By Mr. Ransom:

Q. Can you give the cost of meter installation and work?

A. I can.

Q. What is it?

The Master: What account is that?

Mr. O'Brien: I make the same objection.

The Master: I see, it is account 634-A of the uniform system of accounts, gas meter and
14135 installation work. The regulation is, charge in this account cost of labor employed and material used in locking and unlocking meters, building inspection, pumping drip, cleaning service or house pipes, setting, removing, resetting and changing position of meters, and temporary repairs of leaks in house pipe. Is that the item you now have reference to?

The Witness: Yes.

The Master: What is it?

The Witness: One and one-quarter cents per thousand cubic feet.

Mr. O'Brien: I note the same objection, and
14136 on the further ground that Judge Ransom was so indefinite that one could not tell whether it called for a hypothetical opinion of the witness, or whether he is asked about facts.

By Mr. Ransom:

Q. Mr. Woods, referring to the item of superintendence, distribution superintendence, street departments and shops, which is uniform system of accounts, No. 632, what is the cost of that as an element in distribution?

Mr. O'Brien: Same objection, and on the further ground that it is not clear whether the wit-

ness is asked to give a hypothetical answer, or whether he is asked to give us a conclusion based upon the actual facts in connection with the complainant company at the present time.

The Master: Same ruling.

Mr. O'Brien: If it be a hypothetical question and opinion that he is asked for, there is no foundation laid by setting forth in the question the various factors or premises upon which he is asked to predicate an opinion.

The Master: I am asking him, and I am permitting him to state the actual cost. Is that 14138
what you are giving me?

The Witness: I am giving you a cost as of today.

The Master: The objection is overruled, and the witness is directed to state the cost per thousand cubic feet for distribution superintendence under account 632.

Mr. O'Brien: Exception.

The Witness: Two cents per thousand cubic feet.

Q. Are you able to state the cost comprised in the various items under the category of commercial expense? 14139

A. I am.

Mr. O'Brien: I object on the same ground as before, and on the further ground that it appears that the witness is being asked—

The Master: Is this account 633?

Mr. Ransom: I think it is 633 and G-551.

The Master: I will not let this witness give that.

Mr. Ransom: Exception. That same ruling would apply to what is called general miscellaneous expense?

The Master: What account is that?

Mr. Ransom: That includes automobile expense, superannuation, insurance, vacations, sickness and the like.

The Master: Yes.

Mr. Ransom: Exception.

The Master: I am going to take book records of that, the actual operating expense items as they appear in the books set up in accordance with the requirements of this accounting system.

Mr. Ransom: I might as well say at this time
14141 that there has now been completed the tabulations of the revenue and expenses of the gas business of the Consolidated Gas Company for the eight months ending August 31, 1919. As soon as these can be printed they will be furnished to the defendants, which will be within a day or two. Then the witness Teele will be put on the stand to prove those tabulations.

Mr. O'Brien: Is that day or two a Kathleen Mavourneen affair like the inventory promised?

Mr. Ransom: You will get it quickly enough, and I hope you will check it just as quickly.

14142 Mr. Chambers: Has Mr. Armstrong brought those figures he was directed to bring here today?

The Master: Mr. Armstrong was not directed to bring any figures. He was excused from the stand.

Mr. Chambers: I understood you acquiesced in his—

The Master: Oh, I let you gentlemen ask a lot of questions, "Will you bring me something tomorrow?" but you knew he would not be here tomorrow.

Mr. Chambers: He didn't have the amount of gas oil.

The Master: I know he didn't have some things that he said he could bring here tomorrow, but I didn't tell him to come here today. The witness was excused.

Mr. Chambers: Well, we can't check it up.

Q. Mr. Woods, have you made up and ascertained from the books of the complainant company, and checked through those books, various items under cost of distribution of the Consolidated Gas Company, for the eight months ending Aug. 31, 1919? 14144

A. I have.

Q. And you have computed those costs as shown by the books in terms of cents per thousand cubic feet?

A. I have.

Q. And you have that computation with you?

A. I have.

Q. Now, will you state the item of cost of commercial expenses for the eight months ending August 31, 1918?

Mr. Chambers: I object to that.

The Master: Isn't that the item I ruled out?

Mr. Ransom: I am asking now for the actual 14145 book figures.

The Master: I am not going to let him testify to book figures. It is the same thing I have ruled out, commercial expense.

Mr. Ransom: If he has examined the books and has ascertained it from the books—

The Master: No. I am going to limit Mr. Woods' testimony to what he knows about, the manufacture and distribution, the things required, the percentages of material needed, and the rest of it. That is all I care about his testimony.

14146 George E. Woods, Direct.

The cost of things can be figured out by accountants, experts.

Q. Mr. Woods, will you state what, in your opinion, are the advantages and disadvantages of the manufacture and distribution of coal gas and water gas in the Metropolitan District?

Mr. Chambers: I object to that as being indefinite and uncertain. I do not understand it, and I do not think anybody else would, the advantages and the disadvantages. How are we concerned in that?

14147 The Master: I will allow it in the light of statements made by counsel for the defendant as to the economies of manufacture and distribution, why they did not do this, and why they did not do that. I will let Judge Ransom ask whether there is any advantage or disadvantage of one class of gas over another.

Mr. Ransom: If Mr. Chambers' statement as just made is concurred in by the other defendants, the question will be withdrawn.

The Master: The question is not withdrawn. The witness will answer. Have you any objection, Mr. O'Brien?

14148 Mr. Chambers: I insist on my objection.

Mr. O'Brien: I object to it as incompetent, immaterial and irrelevant, that if the witness has qualified as an expert to speak upon that subject, it is not clear whether he is asked now as to some facts, actual experience, or whether he is to give a hypothetical answer; and if an expert opinion is admissible at this time from the witness on the record and with the record as it stands, the questions are not definite enough to draw out any opinion that will be admissible here. There are no factors given, there are no prem-

ises given. It is so general and vague as to permit the witness to ramble all over the town.

Mr. Hayward: I would like to know whether the question applies to advantages and disadvantages to the consumer or the company.

The Master: We will find out when we get the answer. Will you answer the question that Judge Ransom has put to you?

Mr. O'Brien: Will your Honor bear with me a minute? The question, as you will see, calls for some comparison of the advantages and disadvantages of the two kinds of gas. He does 14150
not make it definite whether he means coal gas enriched with oil—

The Master: We will find out.

Mr. O'Brien: He does not make it definite what he means by water gas.

The Master: We will find out.

Mr. O'Brien: I submit, your Honor, that we cannot substitute the opinion of the witness for actual experience of the companies, particularly where we have one of the affiliated companies engaged in the manufacture of both kinds of gas, and engaged in the manufacture of these gases in a plant that was designed by the com- 14151
plainant company to make coal gas, and erected at an expense of many millions of dollars.

The Master: Objection overruled.

Mr. O'Brien: Exception.

A. A water gas plant is a cheaper unit per thousand cubic feet of gas produced than a coal gas plant, to the extent of about one-half of the building and apparatus, and one-third for land.

Knowing the price of coal, oil and labor, a man experienced in the business can closely approximate the cost of water gas. The residuals that are pro-

duced, namely, water gas tar, can be used and are used in the production of water gas by use under the boilers. Knowing these prices, as I said, you can safely and easily compute what water gas will cost.

In the case of coal gas, knowing the price of bituminous coal, and the prices that you can get for coke, tar, ammonia of various kinds and cyanogen, you can also make that same computation.

In water gas, however, you are buying those materials that are required for gas manufacture, with no material to dispose of in the way of residuals.

14153 In the manufacture of coal gas you buy the materials for the manufacture of gas, and you must sell these residuals. In that way it is an extremely difficult matter many times to determine the cost of coal gas for any period of time.

During the year 1918 the conditions were such that the coal gas cost considerably less than it does in 1919, if you start to analyze the figures. I only cite that to show—

Mr. O'Brien: I submit that what he is saying is not responsive to the question. He is not giving us the comparative advantages and disadvantages. He is trying to show us now how you

14154 cannot make a comparison.

The Master: I am inclined to agree with you, but I will take his statement for what it is worth. Let us get all the information we can.

Mr. O'Brien: He is trying to show the thing is impossible.

The Master: It may be of value to us to know that. Proceed.

A. (Continued.) What I was trying to bring out is the fact that the sales of by-products has a very material bearing on the cost of coal gas.

The Master: What you have said in substance

is that you can fairly and accurately determine what it will cost you to produce water gas, because you do not have to figure upon a rebate or credit because of residuals, and, in the case of coal gas you have that uncertain factor, that the more or less you get for residuals the more or less the cost of the gas?

The Witness: That is so.

The Master: Now, as to the consuming public, is there any advantage or disadvantage in using or getting coal or water gas?

The Witness: It would depend whether it was 14156
straight coal gas or enriched coal gas, straight coal gas enriched with high candle power water gas, or with water gas. The result would be practically the same.

The Master: Then there is no advantage or disadvantage to the consumer if he gets 22 candle power gas?

The Witness: That is right.

The Master: Whether it is coal gas or water gas?

The Witness: That is right.

The Master: Or whether it is coal gas enriched with water gas? 14157

The Witness: That is right.

Q. In other words, as to coal gas, referring to Complainant's Exhibit 354 for identification, the residuals amount to 42.42 per thousand cubic feet.

The Master: Objection sustained.

Q. And unless you can make an economical distribution—

The Master: Objection sustained.

Mr. Ransom: Let me state my question.

The Master: No, you are arguing and developing something that is already in. Next ques-

tion. Judge Ransom, I am trying to help you finish this case. If you do not co-operate with me I shall have to take a long adjournment, and you will have to suffer the penalties, because my private affairs are getting into bad shape.

Mr. O'Brien: My private affairs are getting into bad shape, too.

Q. Have you finished your answer, Mr. Woods?

The Master: I will not let him say any more about it.

Mr. Ransom: So far as operating expenses are
14159 concerned, the direct-examination of this witness is concluded.

Mr. O'Brien: I want to note an objection at this time to the method in which the counsel for complainant is conducting the case. I think he ought to be compelled to finish up with his witness, and not split him up into parts and chapters and put him on for one thing and taking him off for another. It does not tend to expedition, and it is bound to embarrass the defendant.

The Master: Proceed with your examination, Mr. Chambers.

14160 Mr. O'Brien: Exception.

Mr. O'Brien: May I ask the Master to ask counsel for what other work in this case the witness is to be called?

The Master: No. He is called now and produced and has been asked questions. The direct-examination is concluded, I understand. Is that correct?

Mr. Ransom: That is correct.

Mr. O'Brien: Is your Honor going to permit him to be recalled for other matters?

The Master: Probably.

14161

CROSS-EXAMINATION BY MR. CHAMBERS:

Q. Mr. Woods, what is your salary now with the company?

Mr. Ransom: I object to the question.

The Master: Objection overruled.

Mr. Ransom: Exception.

A. $8,000.

Q. And going back, when did it change?

Mr. Ransom: I object to the question.

The Master: Objection overruled.

Mr. Ransom: Exception.

14162

Q. Will you tell me your salaries, going backwards? It is now eight, but when was it less than eight?

The Master: Give us your salary history for the last ten years.

Mr. Chambers: Yes.

A. I cannot remember. I think it has been $8,000 for five or six or seven years.

By the Master:

Q. What was it before that?

A. I think possibly $6,000. I cannot remember the figures.

Q. It jumped from six to eight, or seven to eight?

14163

A. I think that is what it was.

Q. Six to seven, and seven to eight?

A. Yes.

Mr. Chambers: In other words, your salary has not gone up in the last few years?

The Master: The last six years, he said.

The Witness: I think it was in 1912.

Q. That you went on an $8,000 basis?

A. Yes, sir.

The Master: That is all I will permit on the question of salary.

By Mr. Chambers:

Q. You are the chief engineer of the Standard Gas Light Company?

A. I am.

Q. How long have you been chief engineer of the Standard Gas Light Company?

A. Since 1896.

Q. Continuously?

A. Yes.

Q. What other positions do you hold in other companies?

A. I am assistant engineer and engineer of manu-
14165 facture of the Astoria Light, Heat & Power Company.

Q. How long have you been assistant chief engineer of the Astoria Light, Heat & Power Company?

Mr. Ransom: This has all been covered.

A. I have been chief engineer since about I think 1911, engineer of manufacture since the plant started.

Q. The plant started when, about 1906?

A. 1906, December, 1906.

Q. Did you perform some work and service on the plant before the plant was started?

A. Not in a general way.

14166 Q. In a non-general way what did you do?

A. During the construction period I was over there, but my title at that time was engineer of manufacture and I was looking largely after manufacture rather than construction.

Q. That is, you spent a good deal of your time over there while it was being constructed?

A. Not a great deal. I spent some time, yes.

Q. What other companies are you employed by?

A. I am consulting engineer for the New York & Queens Gas Company.

Q. You devote some time to that company?

A. I spend a little time; not a great deal.

Q. How long has that been past? How many years last gone by have you held that position with that company?

A. Four or five years, I should say.

Q. How much time do you devote as assistant engineer to the Astoria Company?

A. How much time?

Q. Yes.

A. I would not undertake to say.

Q. Half of your time?

A. At times probably, and at other times not so much. It would depend largely on where it was nec- 14168
essary that I should be at those particular moments. I do not try to segregate my time to any of the companies.

Q. Do you keep track of the time that you spend with the Consolidated Company?

A. I do not.

Q. Does anybody?

A. No.

Q. Could you apportion it?

A. No.

Q. How about the New York & Queens Company, do you keep track of your time?

A. I could not. 14169

Q. You do not know how much time you spend with that company?

A. Very little.

Q. But it cannot be apportioned?

A. It cannot be done.

Q. How much time do you devote to the Standard Company?

A. I do not know.

Q. You do not keep track of that?

A. No.

Q. Nobody does?

A. No.

Q. Nobody could apportion your time given to that company?

A. They could not.

Q. What other companies?

A. What other companies I am employed by?

Q. Yes.

A. None.

Q. No others?

A. No, sir.

Q. You have named them all?

14171 A. I have.

Q. Even outside of the affiliated companies?

A. I have.

Q. Are you a director in any of these other companies?

A. I am not.

Q. Are you a director in the Consolidated Gas Company?

A. I am not.

Q. Are you paid a salary by these three companies you have named, the Standard, the Astoria and the New York & Queens Company?

Mr. Ransom: I object to the question as im-

14172 material and irrelevant.

The Master: I will allow it.

A. I am paid a salary by the Astoria Light, Heat & Power Company.

Q. Outside the salary that you have of $8,000?

A. Yes, sir.

Q. What is that?

A. $5,000.

Q. A year?

A. A year.

Q. Are you paid any salary by the other companies?

A. I am paid $5,000 a year by the New York & Queens Gas Company.

Q. Anything by the Standard?

A. I do not know. I think a portion of my time is charged to the Standard Gas Company. I do not know how much.

Q. You said it could not be apportioned.

A. I think there is a charge made to the Standard.

The Master: But you do not get any extra salary from them?

The Witness: I do not get any extra salary.

Q. You get $5,000 a year from the Astoria and 14174
$5,000 from the New York & Queens Company and the Standard payment is included in the $8,000?

A. That is correct.

Q. And the $8,000 is your income from the Consolidated?

A. That is correct.

By Mr. Chambers:

Q. If there is a charge made to the Standard it is not based on any actual record of time kept?

Mr. Ransom: I object to the question.

The Master: Objection overruled.

A. It is not.

Q. It is a pure estimate? It must be. 14175

Mr. Ransom: I object.

The Master: Objection sustained.

Q. What man in your department—yours is the engineering department, Bradley's department?

A. That is right.

Q. What men in your department are also employed by the Astoria Company?

Mr. Ransom: I object to that.

The Master: Objection sustained.

Mr. Chambers: If the Master please, I am going to show or try to show that the salaries

14176 George E. Woods, Cross.

of these men in his department are charged up to the Consolidated, whereas they should not be.

The Master: Objection sustained.

Q. How many men in your department, about?

A. I would not like to say offhand. Probably 1,500.

Mr. Ransom: Are you talking of the affiliated companies now?

Q. Are the 1,500 all employees of the Consolidated Gas Company?

14177 A. No.

Q. That is, you have in your department employees of other companies?

A. Yes.

Q. Which companies?

A. The Astoria Light, Heat & Power Company and the Standard Gas Company.

Q. And this New York & Queens?

A. The New York and Queens, but I am only in the New York & Queens in a consulting capacity. I do not operate the plant.

Q. I am speaking of your employees. Your employees are composed of the employees of the Consolid-

14178 ated, the Standard and the Astoria?

Mr. Ransom: I object to the question in the form asked.

The Master: I will allow it.

Mr. Ransom: One moment, he asks about the men in his department with the Consolidated and the next moment he asks about the number of employees in the department of the other companies.

The Master: I will allow it.

Mr. Ransom: I object to it as to form.

The Master: You have 1500 men under you; is that the idea?

The Witness: Yes, sir.

Mr. Chambers: I am asking him if some of these 1500 work with these other companies?

The Master: And I am asking him first if he has 1500 men under him.

Mr. Chambers: Yes, and he answered that.

The Master: He said yes. The next question.

Q. What number of these 1500 men work for the Astoria Company under you?

A. For the Astoria Company? 700 or 800, probably.

Q. Exclusively for the Astoria Company? 14180

A. Absolutely.

Q. And how many of them work for the Standard?

A. Probably 75 or 100 men. I could not recall right now, but I should say that. It would depend on the time of the year.

The Master: The balance work for the Consolidated?

The Witness: For the Consolidated.

Q. Are there any employees in your department who work for the other companies other than the Astoria and the Standard?

A. No, there are none. 14181

Q. These 800 that work for the Astoria Company, are they paid by the Consolidated?

A. Paid by the Astoria Company.

Q. Direct?

A. Absolutely.

Q. You are sure about that?

A. I am.

Q. And the 100 that work for the Standard?

A. They are paid by the Standard Company.

Q. And they are under your direction?

A. Under my direction.

14182 George E. Woods, Cross.

Q. Are all the rest of the 1500 employees paid by the Consolidated?

A. All the rest, whatever are working for the Consolidated, are paid by the Consolidated.

Q. You have stated, have you not, that the rest of the 1500 work for the Consolidated?

A. I have given you the round figures, and that changes from time to time in the different periods of the year.

Q. Do the rest of the 1500, after you take out the seven or eight hundred and the one hundred, which
14183 makes nine hundred, devote the rest of their time to the Consolidated?

A. Whatever men are working for the Consolidated devote their time to the Consolidated, whether they are six or seven hundred.

Q. You said there are seven hundred working for the Consolidated?

A. I said I was giving you an approximate amount, Mr. Chambers, whatever amount it is, and I say it varies from time to time, that I could not personally now give you the exact amount.

Q. You say approximately 600 men work for the Consolidated in your department?

14184 A. In the manufacturing and the street mains department, yes, sir. Now I say that I do not know whether that is the correct amount as of this time, as is shown on the sheet, but whatever there are there—

Q. I was not asking you that.

A. All right.

Q. Taking it at approximately 600; do those 600 men give all of their time to the Consolidated?

A. If you apply to the street department, that work is being done, some work is being done, for the other companies, but that work, whatever is being done, is segregated and charged to those companies.

Q. Do the men who work for the Consolidated work for the other companies too?

A. I have said that men in the street department do work for other companies, and the work that is done the other companies pay for.

Q. And the men in the Street Department, are they part of the six hundred you mentioned?

A. If I said 600, yes.

Q. Well, you said 800 for the Astoria—

The Master: I know what he said; next question.

Q. Do they keep track of the time they devote, the 14186
600, to the Standard Company?

A. They do.

Q. Themselves?

A. The office and the timekeepers and the foremen and superintendents indicate the amount of work that is being done for those companies, and that amount of work and the labor and materials that is performed— the labor that is performed and the material that is furnished.

Q. You have some assistant engineers, haven't you, under you?

A. I have.

Q. How about their time? 14187

A. Their time, the Consolidated Company.

Q. Do they devote all their time to the Consolidated Company?

A. They do.

Q. They do not work for the Standard or Astoria Company?

A. They do not.

Q. None of the engineers?

A. They do not.

Q. How about Mr. Bradley?

A. Mr. Bradley?

14188 George E. Woods, Cross.

Q. Yes.

A. Mr. Bradley devotes his time, I suppose—

Q. To the Consolidated?

A. To the Consolidated and some of the other companies.

Q. And does anybody keep track of the time that he devotes to these other companies?

A. You will have to ask Mr. Bradley that.

Q. Well, you know, don't you?

Mr. Ransom: I object to the question.

The Master: I am going to sustain the objection on the ground that this line of cross-examination is not at all useful. The record is perfectly clear, Mr. Chambers, that as to the day laborers and the week pay men, so-called, and day laborers, the time sheet is kept, showing the time that they spend on the work for other companies; as to executive officers and superintendents, it is not. What is the use of wasting time.

14189

Q. In the cost, taking Exhibit 353 for identification, haven't you included your salary in there as a portion of the— somewhere there, outside of distribution, haven't you allowed some item for your services in the making of gas?

14190 A. For my services, that is, for the making of gas?

Q. Yes.

A. That would not come in what we call gas production labor, because that would be the general overhead and distribution, and so forth, covering these office salaries.

Q. You haven't allowed a thing in there for your labor; is that right?

The Master: In these figures you give us—

Mr. Chambers: I should have him answer. I should have an answer from the witness.

The Master: I am going to get it for you.

Mr. Chambers: Well, your Honor may get something that I don't want.

The Master: I will get what I want. In these figures that you testified to—

Mr. Chambers: Counsel will kindly sit down. They are blocking the road here to the stenographer. They are crowding.

The Master (continuing): There is somewere included the cost of superintendence?

The Witness: Yes, sir.

By the Master: 14192

Q. Which item is that?

A. Gas manufacturing labor.

Q. Gas manufacturing labor?

A. Gas making labor.

Q. Well, that would not include your salary, would it?

A. It would not include my salary, no.

Q. But there is some other item that includes your salary, and where is that?

A. That is not included in that account.

Q. In none of the figures—

A. In none of the figures.

Q. (Continuing.) That you have testified to, is 14193
your salary included?

A. No. That would be in the general overhead and general office expense; that would be attached to that account.

Mr. O'Brien: Would it all be included in overhead?

The Master: Mr. Chambers has the floor.

Mr. Ransom: Under the Uniform System of Accounts that comes in—

Mr. Chambers: Counsel will please sit down. Will your Honor so direct?

14194 George E. Woods, Cross.

By Mr. Chambers:

Q. Now, Mr. Woods, what item here have you included the 600 employees in your office under, so far as Exhibit 353 is concerned?

A. The general office would not be included in that. All the office help at the plants, in connection with gas manufacture would be included in gas labor.

Q. None of the employees in your office are included in this cost of making water gas, this hypothetical cost of yours?

A. None of the office help, the general office, no.

14195 Q. I mean any of the 1500 employees you have stated?

The Master: Why, of course, not.

Q. The 1500 employees?

The Master: The labor of those 1500 men, of course, are not all included.

The Witness: There are men on mains and services that were not in there at all, in the cost of making gas, haven't anything to do with making gas.

Q. Now, Mr. Woods, have you included in this Exhibit 353 for identification, for services rendered by the 1500 employees—

14196 The Master: Let me see Exhibit 353.

The Witness: 1500 employees in the office? You mean the 1500—

The Master: Objection sustained to that question; it is not in line with the facts testified to.

Mr. O'Brien: He said his department would take 1500 men.

The Master: He said there were 1500 men under him.

Mr. O'Brien: I have the words here quoted, if you pardon me. He said, "How many men have you got in your department? A. I have got 1500 men in my department."

The Master: That is correct; that is just what he said.

Q. I ask how many of those 1500 are included in this water gas cost?

Mr. Ransom: I object to the question as it has been comprehensively covered.

The Master: I will permit it.

The Witness: Well, I have gas manufacturing labor there, and of those 1500 men certainly some of them must have been in, because they are in that amount.

Q. Under the gas making labor on this Exhibit 14198
353, who have you included as rendering services in the making of gas?

A. Those men who were employed at the works in the making of gas, including the superintendents and the clerks and those men who were actually making the gas, cleaning fires, the gas runners bringing in a part of the coal, all items that apply to gas manufacture, eliminating the question of handling the coal at the dock, eliminating the miscellaneous expense of cleaning up, eliminating the question of repairs to generators and buildings, the labor is all there as to cost of manufacture at the plant, segregated into different accounts—labor handling coal, handling re- 14199
fuse, handling—making repairs, wherever they may be, and if there were fifteen hundred men doing—employed on gas manufacture, those fifteen hundred men would be included in that amount.

Mr. O'Brien: Your Honor, right here I would like to have brought out whether this hypothetical statement as to the expense of labor covers a specific number, so that we will know what the purposes of it are.

The Master: You will have to bring it out on your cross-examination.

14200 George E. Woods, Cross.

Mr. O'Brien: The reason I ask that at this time is this, because Brother Chambers has touched upon the matter and your Honor may say later on, "Matter covered."

The Master: You may take it up later.

Mr. O'Brien: Well, I am touching upon it here so that when I come to cross I can ask that question.

The Master: You ask that one question.

Q. So your answer is that none of the fifteen hundred persons you spoke of in your department are
14201 included in any of the items here for making water gas?

Mr. Ransom: I object to that.

The Master: Objection sustained.

Mr. Ransom: Trifling with the time of the court to ask such a question.

Mr. Chambers: I can't understand why your Honor so rules.

Q. Now, Mr. Woods, who are these men that you have included in the item of gas making labor?

Mr. Ransom: I object to the question as already answered.

Q. Not their individual names, but their titles.

14202 The Master: I will allow it.

Mr. Ransom: Already been described.

A. Gas makers, fire cleaners, boiler firemen, engine tenders, exhauster house men, purifier house men, meter readers.

Q. Meter readers?

A. Meter readers, photometer men.

The Master: Repair gangs?

The Witness: Repair gangs, yes; machinists; boiler makers.

Mr. Chambers: No, he has got that in another item.

The Master: You are asking about fifteen hundred men, he is giving all that is included.

Mr. Chambers: I am asking what is included in gas making labor.

The Master: Well, that objection is sustained as already answered.

Q. Have you given now all the men who are included under that item?

A. I would not say that I have. There may be a number of titles that I have forgotten. Those are the general things. Pump men—

Q. (Interrupting.) Well you said—

A. I know I have, and I made that up from my own personal and general experience, that I know what 14204
these things are, I have not gone down to figure out whether it was a drip man or a pump man or two drip men or two pump men, because I know what it is and I know what it costs without going into every detail of every man in the shop.

Q. How many gas makers did you include?

A. Enough to do the work for a thousand feet of gas.

Q. How many does that take?

A. How many does that take to make a thousand feet of gas?

Q. Yes.

A. Very little time for one thousand feet of gas. 14205

Q. Half a man?

A. No, not half a man. If you will take a rate of 53 cents per hour at two and one-half cents, you can find out how many feet of gas can be made per hour man, and you can figure it yourself.

Q. I want to know how many gas makers you include in your figure of gas making labor?

A. How many?

Q. Yes.

A. Well, I just would have to include a sort of a part of an arm, if I wanted a thousand feet of gas. It takes—

14206 George E. Woods, Cross.

Q. (Interrupting.) Well, you take a fraction of a gas maker?

A. I would include a fraction of a gas maker and a fraction of everything else to make a thousand feet of gas.

Q. You had to have something in mind when you figured that out, didn't you?

A. Had it all in my mind.

Q. Well, you had a fraction of a man?

The Master: Objection sustained.

Mr. Chambers: If the Master please, I did
14207 not hear any objection.

The Master: I did.

Mr. Chambers: Now, I have got on that to show how important it was about these salaries.

The Master: Well, the trouble is this, Mr. Chambers—

Mr. Chambers: I want your Honor to throw a salary out; that is all.

The Master: I welcome a cross-examination that will help me, and that is a cross-examination which would say to Mr. Woods, "Now, you say it costs you .0250 for gas making labor. How do you get those figures?" How many
14208 men do you figure, how much time do you figure, how much gas oil do you figure? Show me and analyze those figures. That is what I would like to have, and that will help me.

Mr. Chambers: That is what I am trying to do.

The Master: Well, you are not doing it, when you talk about fractional arms and fingers, and the rest of it. That won't get us anywhere.

Mr. Chambers: You may not think so, and yet I may before I get through. I may surprise you.

The Master: That is impossible. I want to find out how he gets at it. I can find out perfectly, if he knows, and I will just show you how I want it.

By the Master:

Q. Mr. Woods, you say here in your testimony that you figure it costs you .0250 for gas making labor?

A. That is right.

Q. How do you get that figure?

A. I know from experience and the prices that are being paid today, wages at 53 cents an hour.

Mr. Chambers: Well, I haven't come to it. 14210

The Master: I am on it.

Q. I want to know how many men you take, how much time they take, how much time it takes to make a thousand feet of gas, and where you get the basis of figuring .0250?

A. In order to compute that, you have got to find the capacity of the machine.

Q. Yes.

A. And how much it will make a day.

Q. Yes.

A. And how many men it will require to operate that machine.

Q. Yes. 14211

A. For the day.

Q. Yes.

A. Including the cleaning of fires and running of the machines and looking after the—

Q. That is precisely what I want.

A. And having got that—

Q. That is precisely what counsel ought to bring out?

A. Having got—

Q. But they do not do it; they make speeches and fuss about their fingers and arms and fractions.

Mr. Chambers: Well, I want to clean up this salary.

The Master: I don't care about the salary, I want to find out—

Mr. Chambers: If your Honor will throw out the salary—

Mr. Hayward: Mr. Chambers—

The Master: I am going to find out—

Mr. Hayward: Just a minute. I have a right to be heard here.

The Master: Not until I give you permission.

14213 Mr. Hayward: I have a right to stand up here and address the Master.

The Master: No, you are talking to Mr. Chambers. Take your seat.

Mr. Hayward: No, I was not talking to Mr. Chambers.

The Master: You were talking to Mr. Chambers. Take your seat.

Mr. Hayward: May I have permission to address you?

The Master: Not until you take your seat.

Mr. Hayward: Go ahead (resuming seat).

The Master: I just want to explain to you,

14214 Colonel Hayward, that you are not running a regiment through this case you are just one of counsel for the defendants, and when you get up and attempt to address counsel associated with you, without the Master's permission, the Master is in charge of this litigation. If you want to say anything to the Master with reference to this, you may have the floor.

Mr. Hayward: I want to say on the record that I have not addressed Mr. Chambers in this case at any time, but that I arose to address the Master, as I considered I had a perfect right to

do, and if the Master wants to make me sit down and stand up like a jumping jack, I will—

The Master: Is there anything you want to say about this case?

Mr. Hayward: Yes. I want to say for the counsel for the defendants, that I suggest that all of the counsel for the defendants defer their cross-examination until the Master has finished, and perhaps when the Master has brought out these particular points that are running in his mind, that we cannot possibly foresee, because we are not mind readers, it will shorten the case 14216
and leave less for us to cross-examine about.

The Master: Well, the Master is not going to assume the burden of conducting this case for the defendants The Master is going to rule as the matter develops. I simply asked the questions to indicate to counsel the way to get at the facts that are useful in this case.

Mr. Hayward: I want to take a further exception on the record, which I have got a right to do, to the statement of the Master, that I am running a regiment in this case, and I want to except to it, and I want to say that remark was unwarranted by any of my conduct in this case. I have 14217
not intruded myself, or spoken out of my turn in any manner, shape or form, and this record will show that I have been more moderate in the time consumed and in my requests than any counsel in this case, either for the complainant or the defendants.

The Master: All that you have said—

Mr. Hayward: And the Master has no right to say that.

The Master: All that—

Mr. Hayward: —and no right to impugn my motives in this case.

14218 George E. Woods, Cross.

The Master (continuing): All that you have said, Colonel Hayward, is absolutely correct.

Mr. Hayward: And I want to say—

The Master: Now, wait a minute; nor have I attempted to impugn your motives, but when I tried to say something to you when you were on your feet addressing Mr. Chambers—

Mr. Hayward: I beg your pardon, I did not address Mr. Chambers.

The Master: Well, I won't argue with you whom you were addressing, but when I was trying to get your attention and trying to say
14219 something to you, you addressed me in a manner which would indicate that you were running a regiment here, and that I had nothing to say about it.

Mr. Hayward: That statement is not true, and I did not address the Master in any such manner, or indicate any such thing.

The Master: Your statement as to the general part you have taken in the proceedings is correct, and I have been delighted to have you here, but I want you to understand that when I try to talk to you I do not want you to come back at me with
14220 a statement such as appears upon this record, and which you will see when you read it, in a tone and a manner and in words that would indicate that you had control of the situation and not I.

Mr. Hayward: I have made no such indication by words or by manner, and I want to say further that I have exceeded in this case in courtesy to the Master a hundred fold his courtesy to me, and that can go on the record.

The Master: Colonel Hayward, that is entirely uncalled for, and you know better. We will not have any more of this. Go on Mr. Chambers.

By Mr. Chambers:

Q. In the winter of—do you call the present time in the gas making business normal?

A. I should say it is normal for these times, I should say it was normal.

Q. What do you say about the times being normal or otherwise?

A. Well, I think as comparing, what might be abnormal one time might be perfectly normal six months or a year hence.

Q. Is this a normal time in the gas making business? 14222

A. Compared with what?

Q. With the period before we were in the war?

A. It is different from war. Whether it is a normal time or not I don't know, but I should think apparently it is going to be normal.

Q. You think everything is normal in the gas making business?

A. In my judgment the prices of labor and material are going to be where they are or higher and in that sense it may be subnormal, I don't know.

Q. Well, is it or isn't it? Why can't you be fair about it? Are these extraordinary times?

Mr. Ransom: I object to that. 14223

The Master: Objection sustained.

Q. Isn't this an extraordinary situation?

Mr. Ransom: I object to the question as too indefinite, it has already been asked and answered so far as it is material.

The Master: I will allow it.

The Witness: We have had an extraordinary situation for the last four years.

Q. Up to the present time?

A. Up to the present time, up until—we have had this, it started, it has been going along, so that, as I

14224 George E. Woods, Cross.

said before, I do not call it an abnormal time, because what has happened has produced this normal condition.

Q. Well, when did this extraordinary condition begin that you have spoken of?

A. The extraordinary conditions?

Q. Yes.

A. Well, there have been changes, as you know, we have advanced rates of pay, etc., the result of conditions that have gone on.

Q. Oil was higher than you ever knew it to be be-
14225 fore, wasn't it?

A. Higher than I have ever known it?

Q. Yes, in 1918, say within the last fifteen or twenty years?

A. Well, my recollection is that we have not paid any more for oil than that.

Q. And the extraordinary conditions began in about 1917, didn't they, in the gas making business?

A. There wasn't anything particularly extraordinary about the gas making business. The whole condition was extraordinary. You know what they are as well as I do.

Q. Well, what do you say they are?

14226 A. What do you say they are?

Q. Yes, the conditions in 1917, 1918, and 1919, up to date?

A. As of today compared with them?

Q. Yes.

A. As to whether it was abnormal?

Q. Yes, as compared with 1914, 1913 and 1912?

A. It may have been abnormal as compared with 1910, 1911 and 1912, but as I said before, what might appear abnormal at one time becomes normal later.

Q. The Standard Gas Company, do they make any coal gas?

A. They do not.

Q. That is a water gas outfit entirely.

A. Carbureted water gas plant.

Q. How about this other company you are with, over in Brooklyn, do they make coal gas or water gas?

Mr. Ransom: I object. He has not said he is with any company over in Brooklyn.

Mr. Chambers: Well, New York and Queens. Yes, he did: he said he was employed by them.

Mr. Ransom: By a company in Brooklyn? I submit to the Court that—

Mr. Chambers: New York and Queens. 14228

Queens, I suppose, Long Island City.

The Witness: That is a water gas plant.

Q. Water gas entirely?

A. Water gas entirely.

Q. And the Astoria Company, you said, make both kinds?

A. That is right.

Q. What other companies have you been employed by that make water gas?

A. You mean—that make water gas?

Q. Yes.

A. The Detroit Gas Company, I was with them for three years; we made water gas. Prior to that— 14229

Mr. O'Brien: Did you say 15 years?

The Master: Mr. O'Brien has not got the floor.

Q. Three years with the Detroit Company?

A. Yes, sir. And succeeding my employment there we made water gas at Little Rock, Arkansas.

Q. What experience have you had in coal gas making?

A. Coal gas?

Q. Yes.

A. The first eight years of my experience was in coal gas.

Q. That was out west?

A. Out west, that is. In Detroit it was combined coal and water gas; at Evansville, Indiana, it was all coal gas.

Q. How about at Little Rock?

A. At Little Rock we made water gas. I rebuilt the coal gas plant there and had it ready for operation when I left.

Q. Now, the Consolidated Gas Company in 1919 do not make any coal gas in the City of New York, do they?

14231 A. In 1919?

Q. Yes.

A. They do not.

Q. Upon what do you base your coal gas cost here?

A. Upon what?

Q. Yes. It was not any experience of the Consolidated Gas Company, was it?

A. No. That is an operating condition that would reflect the Astoria operations.

Q. You had in mind the Astoria Company then?

A. I did.

Q. What it cost them?

A. I did.

14232 Q. Now, then, the water gas cost, what did you have in mind in regard to that?

A. The general situation as it would apply throughout the city.

Q. Of any company?

A. Of the allied companies.

Q. Did you have any company in mind?

A. No, I have made a cost here which I believed in my experience and knowledge would represent a fair cost for making water gas under the conditions that we make it and distribute it, Mr. Chambers.

Q. Some of the companies might do a good deal better than that?

A. There might be a change; some might be made a little lower and some higher. I say it is an average condition.

Q. As a matter of fact, some of the companies do do better, don't they?

A. I do not know, I would not say so.

Q. The Standard does?

A. In what respect?

Q. In all respects in the matter of water gas cost?

A. I would say not. There are changes from time to time.

Q. How about the Brooklyn Union? 14234

A. The Brooklyn Union?

Q. Yes.

A. As to whether they do better or worse?

Q. Yes.

The Master: Do you know?

The Witness: I do not know, but I have seen their figures, your Honor, though.

Q. What do their figures indicate?

A. As to whether they do better or worse than us?

Q. Yes.

A. I cannot; I would rather not testify as to the Brooklyn Union. I am testifying for the Consolidated Gas Company. 14235

Q. When you were testifying here before, you produced a map which is Exhibit 282, didn't you?

A. I did.

Q. And on that map you marked in red the names of the Consolidated Gas Company which were used by other companies?

A. Right.

Q. Now, the Consolidated Gas Company have no mains under the Harlem River?

A. They have not.

Q. You said that main was owned by whom?

A. The Standard Gaslight Company.

Q. Now, Mr. Woods—

The Master: Now, just one moment. Major Clark, has Colonel Hayward left for the day?

Mr. Clark: I don't know. The clerk came up to see him.

The Master: I just wanted to know if he had left for the day. In view of his statement that he takes up so little time I wanted to know just what time he spends here.

Q. Does the Consolidated Company supply any con-
14237 sumers across the Harlem River in the Bronx?

A. Not that I know of.

Q. So if it were not for these other companies using their gas, the Consolidated Company's gas and mains across the Harlem River, all of this red might be eliminated; is that so?

A. It would not.

Q. What use has the Consolidated for it?

A. To get the gas from the Astoria, through the Astoria tunnel to the lines in the Bronx, in connection with the 48-inch main going down.

Q. They would not need this pipe here at the very top of the paper, at Decatur Avenue, would they?

14238 A. No, they do not need that. Some other company is paying them for the use of it.

Q. They do not need the 189th Street main, do they?

A. No, not for their own particular use.

Q. They do not need the 36-inch distribution main to Tremont and Southern Boulevard, do they?

A. That is right.

Q. They could not get the gas from the Astoria plant down through their pipes along Avenue A through its main line?

A. They get it through the Standard Company's main under the Harlem River.

Q. The Standard holds the connecting link under the river?

A. They are getting it through the Standard to Harlem. I do not know whether you would call it a connecting link. If they did not have one there they would probably put in one of their own.

Q. Different makes of different companies' gas is intermingled in this main in red on this exhibit?

A. It might go up and down from two or three companies.

Q. What companies contribute to the gas in that main? 14240

A. I would say the Astoria Company.

Q. The Astoria Company and what other companies?

A. Ravenwood and 99th Street.

Q. I want to know with positiveness what companies shoot gas into this main shown in Exhibit 282 in red?

The Master: Which main?

Mr. Chambers: The main on Exhibit 282.

The Master: Which street?

Mr. Chambers: After it leaves the Astoria tunnel down to—

The Master: East 72nd Street? 14241

Mr. Chambers: Yes, from the tunnel across and down Avenue A.

A. That line is connected to the 21st Street works, the 99th Street works, the Mutual works, the Standard Company, the New Amsterdam Company's plant, the Astoria plant and the Central Union plant, and at some time or other during periods all of them are delivering gas in or out of that main in some way.

Q. It is intermingled promiscuously?

A. It is.

Q. You said a minute ago that the Consolidated

14242 George E. Woods, Cross.

Gas Company needed this main north of the tunnel?

A. Yes.

Q. How do you make that out? To supply what consumers? I mean through Locust Avenue and up Morris Avenue?

A. I understand your question, Mr. Chambers, was if it were not for these other companies the Consolidated Gas Company would not need any mains in the Bronx, and I said that they would.

Q. The Consolidated Gas Company would not need,
14243 were it not for these other companies, the Locust Avenue and 139th Street main, Morris Avenue main and the Burnside and Sedgwick Avenue mains, would they?

A. They certainly would. How would they get gas into Kingsbridge holder?

Q. What do they need them for?

A. To get gas into the Kingsbridge holder.

Q. For whom do they furnish gas there?

A. For Manhattan Island.

Mr O'Brien: I want to make objection that the witness said the complainant company did not have any mains under the Harlem River.
14244 They had a main there.

The Witness: They did, but not at the point to which he is referring, Mr. O'Brien.

Q. The Consolidated Company has a main up there near the Kingsbridge holder?

A. They have.

Q. How much gas do they furnish over to Manhattan Island that goes from that Kingsbridge holder?

A. I would not undertake to say.

Q. It is small, is it not?

A. I would not undertake to say. I think it is quite considerable.

Q. Who does know?

A. That is how much comes out of that holder?

Q. For consumers of the Consolidated over across the river?

A. I do not think anybody knows what amount would go in and out of there.

Q. Are there any services taken from these mains in red shown on this Exhibit 282?

A. Pumping lines.

Q. Consolidated Company's consumers or services to its consumers?

A. There are pumping lines there and distributing 14246
lines. As to the pumping lines there would be no service off of them because they could not get services.

Q. Which are the pumping lines?

A. This is the transfer system from this point south, and those are distributing lines (indicating).

Q. From the Kingsbridge holder south of what? Are there any mains taken off there?

A. That is a transfer system absolutely. It is not a distributing system in any sense.

Q. From the tunnel south?

A. That is a transfer system also.

Q. Then there are not any services taken off?

A. No, that is not a distributing system; that is 14247
a transfer system.

Q. Then there are no services taken from this main line system on this exhibit?

A. No, Mr. Chambers.

Mr. Hayward: If the Master please, I understand while I was out the Master showed an interest as to whether I had gone for the day or not, or for the last half hour.

The Master: Yes

Mr. Hayward: I had not gone before, but I am now going for the rest of the day, because of

14248 George E. Woods, Cross.

a court engagement, similar to those which have kept me for the other days of the week in the criminal courts, which are necessary.

Q. What manufacturing stations are connected with the mains on Locust Avenue north across 139th Street, up Morris Avenue to Burnside Avenue and Sedgwick Avenue?

A. They are all connected, Mr. Chambers. That is one line. It is a line in which the gas may go either up or down. It would depend on the travel and who was pumping. It might go sometimes south, some-
14249 times north, so that the connection is one as a whole.

Q. How is the gas measured that goes into these mains from these companies; how can anybody tell how much gas the Standard puts into this main?

A. They know their own make.

Q. That is the only way?

A. That is the only way.

Q. And the Astoria knows its make?

A. They know their own make and they know the sendout of their own make.

Q. Aside from that there is no way of telling who contributes the gas in these mains shown in red here?

A. Eventually at the end of the month we know.

14250 Q. You depend on the accuracy of the records of the company as to their make?

A. As to the accuracy of the record, naturally as to the meter registration or meter record. How else would you get it?

Q. Could you tell the percentage of gas in these mains in red that was sold to the Consolidated Company by the Astoria Company?

A. Could I tell the percentage in those mains sold to the Consolidated?

Q. Yes.

A. By the Astoria?

Q. Yes.

A. The gas that has gone through those mains?

Q. In the main, that goes through the mains?

A. Practically all that the Astoria makes, outside of what little they would use for themselves and for the consumers that they might have—two or three consumers in Astoria—all of the gas that they make would probably go through those mains and would be chargeable to the Consolidated Gas Company.

Q. You said, "probably"? Does it?

A. I said it would go through those mains and would probably go to the Consolidated Gas Company. I do 14252
not say that all of that gas goes to the Consolidated Gas Company, because other companies are feeding into them. They are getting the Astoria gas or its equivalent.

Q. In other words, you have a big main here which all the companies use gas from?

A. That is right.

Q. It is intermingled?

A. That is right.

Q. They all contribute and they all use from it?

A. That is right.

Q. And there is no record kept of what is put in by each company, except that you get it from their 14253
make?

A. We know what goes in and comes out eventually through the consumers meters?

Q. But aside from that?

A. Well, aside from that, that is all there is to it. You have the two ends and the difference is the unaccounted for gas, and that is the only way you or any engineer that ever lived could figure it out.

Q. You take the Standard's word for their make, do you?

A. We get a record of the operations.

Q. You do it from their books?

A. We do it from the books. The Standard I am chief engineer of, so I know what they do. We get their meter indexes and record what they do.

Q. The make of the Central Union that goes into that make, how do you find out how much it is?

A. From the engineering reports, and I visit the plant.

Q. You take their records?

A. I take their records and I examine their plant and meters, go through to see that it is done. That
14255 is part of my job.

Q. How about the contribution made by the other companies?

A. The same thing applies.

Q. You take what their records show they made?

A. What they made, yes; what they send out.

Q. You do not do any of that; your accounting department does?

A. I do not do it, no. We are not a lot of crooks. It is all one big concern. Somebody is honest, you know.

Q. You have made a statement of what I thought was a fact, that is one big consolidated gas company
14256 in which these others are subordinates?

A. So far as this transfer of gas is concerned, it is one unit and it is the only way we can handle it, and we are handling it in the interest of the consuming public, because if we did not handle it that way we would have a much larger expense.

Q. Can anybody figure this out unless they do find out from these other companies and go into their books?

A. What?

Q. They cannot find out unless they examine the books of these other companies?

A. Yes, you have got to examine their books. You have got to find out what their sales are, and so forth, Mr. Chambers. The question of what is accounted for, you have got to treat the companies as a whole, and in that respect is no different from any other company, except they take the total make and you get the unaccounted for of the combined companies.

Q. You know, do you not, that the Standard Gas Light Company sells some gas to the Consolidated Gas Company?

A. Yes, and at times buys gas.

Q. Are you familiar with that transaction, at all? 14258

A. I am.

Q. Are you the one who computed the cost of the Standard Gas Light Company gas sold to the Consolidated?

A. I do not make those computations.

Q. Who fixed the amount that was to be charged between the Standard and the Consolidated?

A. Well, it is an agreement between the companies as to what they should pay for it, based on the manufacturing cost.

Q. I notice that sometimes the Standard Gas Light Company charges the Consolidated. Would you know what charge was made for gas? 14259

Mr. Ransom: Is that first reference to some report of the Public Service Commission a part of the question or not?

The Master: The question is, do you know what the Standard Gas Light Company charges to the Consolidated for gas from time to time?

The Witness: I do. I will answer that in this way—

The Master: Well, do you know?

Mr. Ransom: At what time?

The Master: At any time. Do you see the figures from time to time?

The Witness: I have seen the figures, yes.

By the Master:

Q. And do you know what the charges are made by the Standard to the Consolidated from time to time?

A. I have seen the figures, your Honor, yes.

Q. Do you help make them up?

A. No, I do not.

Q. Who arrives at the manufacturing cost?

A. The manufacturing cost is made up by the Standard Gas Light Company and checked up by the
14261 Consolidated Gas Company. The engineering reports of the Standard Company come into the Consolidated Gas Company for the purpose of checking.

By Mr. Chambers:

Q. Is it on the basis of cost?

A. On the basis of cost of manufacturing, plus 10 per cent, I should say.

Q. What is the 10 per cent for?

A. To cover those items that are not included in the way of overhead and so forth, which do not go into the whole cost. There are many things, purchases of supplies, general office expenses, etc., which are not included in the manufacturing cost at all.

14262 Q. Did you know in 1918 that it was 39 cents?

Mr. Ransom: I object to the reprehensible conduct of counsel. He is again resorting to his usual methods of taking the tabulation of the Public Service Commission, which he has in his hands, and getting it into the record by himself reading it in. I am willing to have all of these things go in.

Mr. Chambers: It is 44 cents instead of 39, I should have said.

The Master: Why should there be any question about it?

Mr. Chambers: This is just on the question of the cost of gas (handing Master blueprint).

Mr. Ransom: I object to the question if it is a question or statement of counsel, unless he is willing to put in these documents which the Public Service Commission gets up and sends out to the legislature and the public, purporting to set forth these matters. I am willing to put them all in, but I do object to counsel just picking out one or two things which he thinks may be helpful to him and not putting them all in. If these acts of the public authorities of the state, who he represents are of any value at all they should go in. 14264

Mr. O'Brien: The books that have been received in evidence have figures for gas transferred, they have payments recorded to the Standard Gas Light Company that represent a price for gas. It is not necessary to refer to reports which counsel for the complainant would like to have go in—reports of the Public Service Commission.

Mr. Ransom: There are books which show the money consideration.

Mr. O'Brien: Well, the books presumably show the figures and the money, and it must be so many thousand cubic feet. 14265

Mr. Ransom: It is not all money.

The Master: What is the question?

Mr. Chambers: The question is whether the 1918 gas of the Standard is charged to the Consolidated Company?

The Master: No, I am not going to let you put that in the record in that way. Do you recall, Mr. Woods, what the Standard charged the Consolidated during 1918 for gas?

Mr. Ransom: You mean so far as the money part of the price is concerned?

Mr. O'Brien: I object to counsel again resorting to his reprehensible conduct of trying to give a wireless message to the witness. It is absolutely bad practice. You want to convey to the witness's mind the idea there is something besides money in the consideration, to bolster up the items in the books. I am going to ask the Master to warn counsel not to indulge in that. He is trying to give a signal to the witness, whether he ought to answer or not.

Mr. Ransom: I object to Mr. Chambers' question in the form in which it is put.

14267

Mr. Chambers: I have not asked a question. It was overruled.

Mr. O'Brien: Here is a man, who was chief engineer, chief of manufacture, and he is silent when he is asked how much they charged the Consolidated Company for gas and how much it costs the Standard to make gas.

Mr. Ransom: The question has been objected to. Until that is disposed of I hope we will not have any further discussion.

The Master: I assume there is some arrangement between the Consolidated Gas Company and the other companies in regard to this tunnel up in the Harlem River?

14268

The Witness: Yes.

Q. A charge made?

A. The use of the main is paid for by these companies that use them, there is no doubt about that.

Q. On what is it based?

A. Based on the ratio of the demand.

Q. What?

A. Based on the ratio of the demand of those companies located in New York on the plants located on Long Island. In other words, those com-

panies that require gas from Long Island must use these facilities to get the gas into Manhattan or the Bronx from Astoria or Long Island City, and to the extent of their use of those plants to that same extent must they pay for the use of these mains and tunnels.

Q. You stated on your direct-examination that the Central Union rented some main up here in the Bronx?

A. Central and Northern Union, yes.

Q. Is it Central and Northern Union, two companies?

A. Yes. 14270

Q. And that they paid the same old rental for some ten years or so back?

A. Well, they have paid that same rental ever since the main has been in; I don't know how long it has been since that main went into use.

Q. It has been a good many years back, you have not changed the price, the charge?

A. No, not the charge?

Q. You let them have it for the same price today that you did in 1910, say?

A. Yes, they are paying on the same value as given as of that time, at the same rate of pay.

Q. Is that main of more value today than it was then? 14271

Mr. Ransom: I object to the question as argumentative.

The Master: I will allow it.

A. No, and I should say it was worth fifty per cent more.

Q. Why don't you make them pay for it?

A. It looks as though we might have to.

Q. Well, you have been going on here for ten years or so.

A. Whatever the period has been, but we have got

back from the abnormal into the normal times again, and some of these things will have to be readjusted.

Q. There is one chance, one opportunity, to save some money?

A. All right.

Q. Do you think that rental is fair now today, the same rental that they paid away back ten years ago?

A. Do I think the rental is fair?

Q. Do you think they are paying what is fair and right?

A. Well, it depends on whether you base it on the
14273 cost of the main or the reproduction value. I would not like to pass on that, it is a question of my judgment or opinion which may or may not be worth anything.

Q. Does the Northern Union rent any of these mains up there?

A. They are used jointly with the Central and Northern Union Companies.

Q. They are paying the same old rental as they did ten years ago?

A. I don't know whether it is ten years, whatever the time is, they have been paying the same rate.

Q. Who has charge of that, did you say you did?

14274 A. Has charge of which?

Q. Of renting these mains?

A. I made up the statement as to what in my judgment was the fair value for the use of those mains and the joint facilities.

Q. When the original agreement was made, you had that before you?

A. That is my best judgment.

Q. What did you base that charge on? You have testified about the charge—what did you base it on?

A. I based it upon the schedules that I had, on the value of the property as taken for the use of those mains, as the value of the properties—

Q. You mean the value of the main in the street?

A. Value of the main or holder or land, whatever it may have been, the cost of the other properties.

Mr. Ransom: Is counsel contending that the value of this main is greater than it was then?

Mr. Chambers: I am not contending anything; I am trying to find out from the witness.

Mr. Ransom: If you will state how much more you think it is worth, we will concede it.

Mr. Chambers: Is it necessary for counsel to inject here at this time, if the Master please?

The Master: I am not going to answer that. 14276
Ask him.

Q. What did you value the main at when you made this up?

A. Value of which main?

Q. The one you rented to the Central Union, I mean how did you do it; by the cubic feet, or how?

Mr. Ransom: Are you referring to the distribution main?

A. 36-inch distribution main?

Q. Yes.

A. I think I took the cost of the main as indicated by the books.

Q. Books of the Consolidated Gas Company? 14277

A. Consolidated Gas Company.

Q. The book costs?

A. The book costs did not contain all the costs of the mains?

Q. Well, then, what did you do? I would like to find out just how you figured that out.

A. There was an item of interest charged during the course of construction on that particular main; I think the actual cost at that time included most of the other items.

Q. On Exhibit 350, is that the item of $295,625?

A. That is right.

14278 George E. Woods, Cross.

Q. Now, that is the 36-inch distribution main. Which one is on this map?

A. That one (indicating).

Q. Both of them that are in dotted lines on Fordham Road?

A. That is right.

Q. And the $295,625 was the book cost?

A. Book cost, plus interest allowance, I think, during course of construction. It is a computation I made. I do not recall just now.

Q. Give me the details of the figures, will you?

14279 A. I haven't got them.

Q. Did you have them?

A. I made up this statement from my knowledge, and so forth, of the value of mains.

Q. There isn't any book cost, is there, for the mains?

A. I don't know whether you can segregate it or not.

Q. Were they not built away back some years ago?

A. A great many years ago.

Q. Well in your first column here, value of property, that is your estimate, is it; it is not the book value, you say?

14280 A. It reflects something from the books. It shows more than the books, the value, the estimated value that the mains were worth at that time.

Q. And it is your estimate really?

A. Yes, it is an estimate based on my experience and the data that I was able to obtain.

Q. How long are the mains?

A. I do not recall the figure now. I had all that.

Q. I would like to have you, before you close the examination bring it in; it is very important. Now, the 30-inch transfer main in the Bronx; where is that on this Exhibit 282?

A. That is a 48-inch main.

Q. You mean the one on Locust Avenue across 139th Street?

A. Locust Avenue across 139th Street to the Kingsbridge holder.

Q. What did you base that figure on, $427,287.80 on; on your estimate?

A. An estimate of the value of a main 30 inches in diameter as laid at that time.

Q. For this main and the 36-inch main that we have just been talking about, did you include the item of paving over the main?

A. The items of what it would cost to lay a main. 14282

Q. Whatever they were?

A. Whatever they were.

Q. Have you the figures for this 30-inch main?

A. I have not. I made up an estimated cost. We have no 30-inch mains.

Q. Tomorrow will you bring those down, please?

A. I don't know whether I can. These things are simply pencil memoranda that were made when I put it in three or four or five years ago. I don't know that I could get it.

Q. You mean this figure was made up four or five years ago?

A. I don't know what it is; it is 1915 or 1916. 14283

Q. How long is that 30-inch transfer main?

A. I don't remember the figures, Mr. Chambers.

Q. What paving did you include as to that?

A. The paving that would be required over that main, the average paving as applied to New York under those conditions.

Q. Did you allow any depreciation for either the 30 or the 36-inch main at the time?

A. Depreciation—we don't have any such a thing.

Q. You didn't allow any?

A. Absolutely not—why should we? We have

mains in the ground fifty or sixty years old as good as they were fifty years ago, and why should we depreciate them? They might have to be replaced as not being large enough, or something of that kind.

Q. You don't allow any depreciation when you figure or estimate the value of a main?

A. We keep our plant up. If we pull a pump out we put in a new pump.

Q. I want you to answer that question as an engineer?

A. What is the question?

14285 Q. Do you allow depreciation ever in any estimate as to the value of a main?

Mr. Ransom: I call attention to this, that this is in no sense cross-examination.

Mr. Chambers: Oh, yes, it is. He has given the value of mains—

Mr. Ransom: I am only calling attention to it. I am very glad that you do it.

The Master: So long as Judge Ransom is very glad, suppose we have the answer.

A. Absolutely not.

Adjourned to Friday, October 17, 1919, at 9:15 A.

14286 M.

Last Complainant's Exhibit 354.
Last Defendants' Exhibit MM.

CONSOLIDATED GAS COMPANY OF NEW YORK *vs.* NEWTON, ETC., *et al.* 14287

Before ABRAHAM S. GILBERT, Special Master.

NEW YORK, October 17, 1919.

Met pursuant to adjournment.

Present: MR. RANSOM, MR. VILAS and MR. GOETZ, of Counsel for Complainant.
MR. CHAMBERS, of Counsel for defendant Newton.
MR. HAYWARD, MR. CLARK and MR. NEUMANN, of Counsel for Public Service Commission. 14288
MR. O'BRIEN, of Counsel for defendant Swann.

Mr. Ransom: There is one thing—I would like to have the record show that at this time I furnish to the defendant the detailed schedules of revenues and expenses of the gas business of the Consolidated Gas Company for the eight months ended August 31, 1919. The testimony for their admission will be offered by a later witness. At this time I ask to have them marked for identification. 14289

Papers marked Complainant's Exhibit 355 for identification.

Mr. Ransom: I also furnish to the defendants at this time detailed schedule showing cost production and distribution Consolidated Gas Company, twelve months ended December 31, 1918, in terms of cost per thousand cubic feet made. The testimony for its admission will be later supplied. I furnish to the defendants copies for such use as they may see fit, and I ask that it be marked for identification.

Paper marked Complainant's Exhibit 356 for identification.

Mr. Ransom: Likewise a schedule similiarly showing cost of production and distribution, eight months ended August 31, 1919, in terms of cost per thousand cubic feet. I ask that this be marked for identification.

Paper marked Complainant's Exhibit 357 for identification.

GEORGE E. WOODS, resumed the stand:

CROSS-EXAMINATION CONTINUED BY MR. CHAMBERS:

14291 Q. You said yesterday at the close of the session that you allowed no depreciation on mains you estimated the value, as you did these mains. Then you said that they might have to be replaced. Now, that comes under the head of depreciation, doesn't it, replacing the mains as inadequate?

A. That would come under renewals and replacements.

Q. You would consider that, though, wouldn't you, in estimating the value?

A. Would I consider that in estimating the value?

Q. Yes.

A. I did not.

14292 Q. You would not take into consideration the obsolescence or inadequacy?

A. I did not.

Mr. O'Brien: Before we start the morning session will you permit me to make a motion to strike out all the testimony given yesterday by the witness, on the ground that it was expert testimony on which he did not qualify as an expert, that hypothetical questions were asked him to draw forth expert opinion; that he was not given any basis or premises or definite data and factors upon which to predicate an opinion.

On the ground that many of the questions were vague and unintelligible, and that they did not permit of any answer that would be admissible as evidence in this case.

On the ground that in many cases the questions appeared to involve both hypothetical ideas as well as vague references to concrete facts.

The Master: Motion denied.

Mr. O'Brien: Exception.

Q. Now, the Kingsbridge holder is used largely by the other companies you have mentioned other than the Consolidated? 14204

A. That is right.

Q. Very small use of it is included in the Consolidated system, isn't it?

A. A very small use?

Q. Yes.

A. No, it is used somewhere between forty and fifty per cent, in my judgment, by the Consolidated system.

Q. How did you ascertain this forty or fifty per cent? How did you find that out?

A. There is no direct method of determining that. We know we are sending gas to the Washington Heights section, and also into the Central and Northern Union sections. In my judgment, without knowing exactly the amounts, I believe that the Consolidated Gas Company is using it somewhere between forty and fifty per cent. 14295

Q. Well, that is a very indefinite way of getting at it, isn't it?

A. Well, that is the way I did get at it, and that is my judgment of what is being done.

Q. That is your estimate or judgment?

A. My judgment, yes.

Q. Based on the Washington Heights sales?

A. The Washington Heights sales. That line goes down, leads down in connection with the 132nd Street holder. Those two holders supply that entire section.

Q. In order to know that you would have to find out what the sales were of the Central Union and Northern Union?

A. Not necessarily, because the Central Union is also sending gas from their 138th Street Station.

Q. But there is nothing definite and certain about your percentage?

14297 A. Well, I cannot give you any figures. I would only say that the Central Union Company were supplying their entire district from their 138th Street holder up to the time this holder was built, so that the amount of their send-out would not represent their requirements of that particular holder.

Q. What were their sales on which you based that, the Central Union?

A. I cannot recall the sales just at this time.

Q. Did you have them?

A. I did have them.

Q. What were the sales of the Northern Union?

A. I cannot give you that figure now, Mr. Cham-

14298 bers.

Q. What were the sales of the Consolidated Gas Company over on Washington Heights?

A. I cannot give you that.

Q. Is this your estimate here of land value for a five million holder and assessories?

A. That is right.

Q. Your estimate?

A. My judgment based upon one-third of the cost of the land.

Q. You mean all of the land that is shown on the exhibit here in pink?

A. I have not seen the exhibit.

Q. Introduced by Mr. Aldrich?

A. I have not seen the exhibit, but it was one-third of the plot of land belonging to the Consolidated Gas Company at that point.

Q. Did you include in that the land where the tennis court is?

A. I included the entire plot.

Q. And you took one-third of it?

A. One-third of it.

Q. For the holder?

A. For the holder and accessories. 14300

Q. Upon what did you base that value?

A. Upon one-third of the cost, what they had paid for that property.

Q. As shown by the books of the Consolidated Gas Company?

A. As shown by the books.

Q. All you know about the cost is what the books show?

A. That is right.

Q. Now, the five million cubic foot holder and accessories, is that an estimate, that $522,500?

A. That is an estimate of the cost of a holder of that size, including the accessories. 14301

Q. What did you base that on, your estimate?

A. On my experience with the cost of such a holder.

Q. What period of time?

A. The period of time as of that time.

Q. Do you mean as of 1911 or 1910?

A. No, as of about 1915.

Q. Oh, 1915. Was it built in 1915?

A. I think it was built about that time, 1915 or 1916. I do not recall that date right now. Whatever time it was built and put in use is a matter of record, and I can get it for you.

14302 George E. Woods, Cross.

Q. What did you include in that for overhead?

A. I based no overhead. I based on the value of a holder, the experience that we have had in the construction of holders, including the overhead in connection with it, plus the interest during investment, covering the construction of a holder 5,000,000 cubic feet in capacity.

Q. Can you give us the details from the figures?

A. I cannot; not right now I can't.

Q. And you cannot give us the taxes you allowed during construction?

14303 A. No.

Q. Nor the interest?

A. No. That information I can get for you. It is to be had. As I say, it is based upon my knowledge of what these holders have cost us.

Q. As shown by the books?

A. As shown by the books.

Q. Do the books show the interest paid during construction on that holder?

A. Probably not.

Q. Does it show the overhead?

A. Probably not.

Q. Well, then, how is anybody going to find that?

14304 A. You probably could not find an exact amount, it is an estimate based upon the value of—the cost of holders that we have put up. Now, you take different kinds of holders, and one site will cost a little more than another.

Q. Has the company ever put up a five million cubic foot holder before?

A. They have.

Q. Where?

A. Consolidated Gas Company is one, at 132nd Street.

Q. 132nd Street?

A. Yes.

Q. How much did it cost?

A. I do not recall at the present time, I could not tell you.

Q. Did you look at that figure to see?

A. I evidently did. There are two holders at 111th Street and First Avenue of 5,000,000 cubic feet capacity belonging to the Consolidated Gas Company.

The Master: Mr. Chambers, hasn't the witness testified with reference to this matter that you are now interrogating him only to the effect that certain charges were made against the Central and Northern Union, based upon certain 14306 estimates of his?

Mr. Chambers: I take it he sets forth here the value of these holders. Your Honor has allowed it in. It is right here.

The Master: You did not understand that I have taken that statement as evidence of a fact that a holder costs that much money, did you?

Mr. Chambers: Well, you might not, but the appellate courts might, and counsel for the complainant might and will insist they have proven the value of those holders.

The Master: You can't assume any such position. Did you take that position, Judge Ran- 14307 som?

Mr. Ransom: What? Not relying on that as proof of value of property, no.

The Master: Well, there is a—

Mr. O'Brien: Your Honor made a statement—

The Master: One minute. Mr. Chambers, there is a statement on the record by Judge Ransom that he agrees with me that he is not taking that as a proof of value.

Mr. Chambers: With all due respect to Judge

Ransom, that statement is not definite and certain. Listen to his statement there; have it read. It is a statement with reservations.

The Master: Wait a minute.

Mr. O'Brien: Your Honor will recall—

The Master: Mr. O'Brien!

Mr. O'Brien: I want to make a statement on this record.

The Master: Wait until I get my mind clear.

Mr. O'Brien: This record is a lot of hieroglyphics, broken sentences and broken arms—

14309 The Master: My understanding of it is, and see if I am right about it, that this witness was called and testified to charges made to other companies for the use of joint facilities. Am I right about that?

Mr. Ransom: That is correct.

The Master: Am I right about that, Mr. Chambers?

Mr. Chambers: Yes, sir.

The Master: Now he says they charged—made certain charges against certain other companies for use of joint facilities, including this holder, upon this basis. Now, it is a fifteen million foot holder, as I understand it.

14310

The Witness: Ten million.

The Master: It is not a five million foot holder at all, but his estimate as to what a five million foot holder would cost. It is not at all proof of what this particular holder cost this company or whether the adjustment or charge they made was fair or not.

Mr. Ransom: Because the figure he gave was not half the cost of a ten million foot holder.

The Master: If this witness had been called to testify that this holder was worth and cost,

and the reproduction value is twice what they charged this other company, I should permit a very wide examination, but I cannot understand the purpose of the cross-examination on the basis of what he charged somebody.

Mr. Chambers: You read this exhibit 350, and in the very first column it says, "Value of property."

The Master: As taken.

Mr. Ransom: That either may be right or wrong.

Mr. Chambers: The explanation does not render the exhibit harmless. The viciousness of it is right there; it is in evidence. 14312

The Master: Is the vice of it eliminated when I make it clear upon the record that I did not receive this paper to prove that fact, that it is no proof of the fact, that I won't take it as proof of the fact, that it is not claimed by counsel for the complainant that it is proof of the fact, and that my only purpose in taking this paper in evidence was to show the basis of the computation? Can you have it any clearer than that?

Mr. Ransom: And as I said at the time this proof was put in, if your Honor found that the values which were taken clearly were not the values at the time, of course, even the basis would fall. 14313

The Master: Well, you have not proved the values yet, have you?

Mr. Ransom: I have only proved the basis.

The Master: You have not proved values?

Mr. Ransom: I have only proved the basis.

The Master: Can't you answer me?

Mr. Ransom: No, I have not proved values.

14314 George E. Woods, Cross.

The Master: You have not proved value by this paper, have you?

Mr. Ransom: I proved the value as he took it.

Mr. Chambers: If he makes an unqualified statement as to this exhibit of this column 2 and column 5, if he concedes that it is no evidence whatsoever of value in this case, I will stop on that line.

The Master: I understand that is his concession.

14315 Mr. O'Brien: No, that is not his concession.

The Master: Who asked you?

Mr. O'Brien: I am going to have something to say in a minute, if I am allowed to.

The Master: You will be allowed to in proper order. Was that your statement, Judge Ransom?

Mr. Ransom: Yes.

The Master: Isn't that your concession?

Mr. Ransom: Yes.

The Master: What more do you want?

Mr. Chambers: That is all.

Mr. O'Brien: Will your Honor bear with me

14316 a minute?

The Master: On what point?

Mr. O'Brien: On this very point. The question that is raised, there are several questions raised by this particular matter, and while it is not in the dollars and cents on the surface shown to be so important, it does involve very many important matters. While counsel may concede that he puts it in for one purpose and limits it to that purpose, and while the Master has said it shall not be taken even as some evidence of value, the whole thing falls to the ground if it is given

some weight, for this reason: They have turned over vast facilities in the shape of a long main, a very expensive holder and a great piece of ground, they have erected that and spent their money in order to carry on the business of another company. We think that they ought not to have done it, it was not a Consolidated Gas project, that they did not need it to furnish part of Washington Heights, that they did not have any consumers in the Bronx, to whom they were compelled to furnish gas, and so forth. Now they come back and say, "We are being paid for 14318
this, and we are being amply paid." Don't you see right there that the question comes as to whether or not, assuming that it was not an extraneous matter, assuming that it was properly part of the Consolidated Gas Company's gas making business to put that in and erect it, are they being properly paid for it? Doesn't that come right down to the question as to whether the *quantum* of this rental is a fair one and whether the interests of the consumers are protected?

The Master: Next question, Mr. Chambers.

Q. Now, take this 48 inch connecting main between 14319
71st Street and East River and 132nd Street and East River, where are those on this exhibit? Which main do you mean by that, or what mains do you mean by that?

A. The Consolidated Gas main running from 71st Street and East River in a northerly direction in the Bronx territory to 138th Street and East River. That is from one tunnel head to the other, approximately.

Q. You mean from the Astoria tunnel?

A. The Ravenswood tunnel.

Q. The Ravenswood tunnel is where?

A. 71st Street and Avenue A.

Q. In speaking of that main you figure that the Consolidated used 60.92 per cent of it?

A. I did.

Q. On what did you base that?

A. On the basis of the demand of the Consolidated Gas Company's requirements from those plants located on Long Island, which in this case was the requirement from the Astoria Light, Heat & Power Company, and in order to get the gas from the Astoria plant into the Borough of Manhattan it required these facilities.

14321 The Master: How did you figure 60.92?

The Witness: Because that was the extent of their requirements, based on the total demand, the total capacity of the plants located on Long Island.

Q. What were their demands on Long Island? Where are your figures?

The Master: Compared with what?

A. The figures represented their requirements, and their demand was the capacity of the Astoria plant.

Q. In order to get 60.92 you have got to have some figure to work on. What was it?

A. That was a figure between the combined capa-
14322 city that was being used, the combined capacity of the Astoria and the New Amsterdam plants, and of those combined capacities that were being used at that time the Consolidated needed 60.92 per cent of that amount.

Q. What time was that when you figured it? As of what time?

A. That was figured in 1916, I think.

Q. Who uses the other 40 per cent?

A. The Standard used at that time a small amount, and the Central.

Q. How much? What percentage did they use?

A. At that time I think only 54/100ths of one per cent, is my recollection.

Q. How did you find that out?

A. Based on their requirements. Their plant capacity was not sufficiently large.

Q. You mean the requirements for their consumers?

A. For their consumers and with a necessary reserve for their requirements. They had a demand upon the plants on Long Island to the extent of 54/100ths of one per cent, I think it was, of the plant capacities on Long Island. 14324

Q. Will you give us the exact figures you used in figuring the Standard's percentage of use of that main?

A. I tell you it was 54/100ths of one per cent. I have not got the exact figures. (Mr. Ransom hands witness paper.)

Q. Give us the exact figures for all, the percentages the different companies used, and how you computed them?

Mr. O'Brien: You are reading from the record handed you now by counsel?

The Master: Do not answer that question.

Q. Can you tell that without reference to some paper? 14325

A. I cannot. From my memory I cannot tell you.

Q. While I was examining you counsel handed you some paper?

A. That is right.

Q. Counsel for the complainant?

A. That is right.

Q. Has that the figures?

A. It has.

Q. And using that now can you give us the figures?

A. Yes, sir. The requirements of the Consolidated

Gas Company, or the Astoria Light, Heat & Power Company, to get their gas over here, was 60.92; the New Amsterdam required 22.84.

Q. You are giving me the percentages. I want to know how much gas does the New Amsterdam Company require?

The Master: In volume?

Mr. Chambers: In volume, to meet their demands, as you call it. You keep giving me the percentages: that does not give me anything. I want to know the complete basis of your figures.

14327

The Master: Mr. Chambers wants to know the volume, so he can calculate the percentages.

Mr. Chambers: Exactly. The whole problem, so we can figure it out, if that is possible.

A. Oh, it is all here if I can find it.

Q. All right. Let us have it.

A. The capacity as of that time for use of the New Amsterdam and the Astoria Companies themselves, of Long Island City, that is in Long Island, was the Astoria Light, Heat & Power Company 45,000,000 and the New Amsterdam capacity which was being used by them and by other companies was 28,864,000. They had a capacity at that time of

14328

30,000,000 cubic feet but they had a reserve in excess of what their necessary requirements were, so that the plants on Long Island for the purpose of this computation were based upon the capacity of 73,864,000 cubic feet. Of that 73,864,000 cubic feet the Consolidated's requirements for that time were 60.92 per cent, the New Amsterdam Gas Company's requirements were 22.84 per cent; the Central Union Gas Company's 15.70 per cent, and the Standard Gas Light Company's 54/100ths of one per cent, making a total of 100 per cent of the use of those plants necessary for the outfit.

Q. That was as of 1915, was it?

A. As of 1915.

Q. Those percentages charge from time to time?

A. They change from time to time to some slight degree, but this was continued. These percentages of the use of these plants was continued up through 1918 and changed the first of the year 1919.

Q. What percentage is it now?

A. I have not that figure with me, Mr. Chambers, but I think it is 58 or 59 per cent, the requirements of the Consolidated Gas Company.

Q. How much? 14330

A. 58 or 59 per cent. It is something under 60, I have forgotten the exact amount.

Q. The Consolidated has dropped down; its use is less?

A. On their requirements there, because now they are taking practically all of the Astoria plant, but are also taking some gas from the Mutual Company and paying for the use of the New York Mutual Company plant to the extent of about 10,600,000 during the year 1919.

Mr. Ransom: 10,600,000 cubic feet?

The Witness: 10,600,000 cubic feet. Approximately that. 14331

The Master: Do not interrupt, Mr. Ransom. We have a general rule and it must be uniform.

Q. This ten millon of the Kingsbridge holder at Kingsbridge; you say the Consolidated uses all of that?

A. I did not say so.

Q. You have it here 100 per cent, on this exhibit?

A. Five million. Based on five million, but we have a ten million foot holder. On a five million basis the Central Union is using 100 per cent of a five million foot holder.

The Master: That five million foot holder does not exist. He has imagined a five million foot holder.

Mr. Ransom: I object to the statement of counsel. Counsel, as I understand his question, did not accurately state what the tabulation showed. It does not claim to show that 100 per cent use by the Consolidated; 100 per cent of use of five million by other companies.

Mr. Chambers: You have a holder on here that does not exist, as the Master says, at all.

14333 It is inaccurate to that extent.

Mr. Ransom: Go up and look at it.

Q. Please give us, Mr. Woods, the capacity of each of those plants other than the Consolidated, that you used.

The Master: For what figure?

Mr. Chambers: For this 60.92 per cent.

Mr. Ransom: As of when?

Q. The time you figured it?

A. As of that time?

Q. Yes.

A. The capacity of the Astoria plant was 45,000,000 and the New Amsterdam plant capacity was 30,000,000

14334 but, as I have testified we used a capacity of the New Amsterdam plant at 28,000,000 and something, giving them a little bit extra reserve at that time.

Q. That is, you favored them a little bit to that extent?

A. No, we did not favor them at all.

Q. What do you call it?

A. What?

Q. What do you call it?

A. What do I call it?

Q. You did not take it at their capacity?

A. I did not take it at their capacity, and if we had

taken it at their capacity we would have paid a little more money.

Q. So you did not favor them?

A. I did not favor them. I did not favor them at all. The demand was such that combined the company has a reserve of a certain amount and the Consolidated's was slightly in excess of that, and in my judgment the Consolidated's reserve was sufficient and we would not carry any additional reserve of the New Amsterdam Gas Company. Had we taken the 30,000,000 the charge to the Consolidated would have been greater. 14336

Q. You used the 73,864,000 as a divisor?

A. I guess so.

Q. Now, will you please give me the capacity of the Consolidated, the requirements of the Consolidated that you used in order to obtain the 60.92 per cent?

A. The Consolidated and Astoria companies' plant capacity—

The Master: No, he is asking for requirements.

Q. Requirements of the Consolidated. We have the divisor, now we want the other figure.

The Master: What Mr. Chambers wants to know is what the requirements were. 14337

The Witness: 88,500,000 cubic feet.

Q. Now, the New Amsterdam, its requirements, as you used it?

The Master: In other words, how many cubic feet represented that 22 plus per cent?

Q. What I want to know, Mr. Woods is this: What was your divisor and your dividend for the Consolidated, the New Amsterdam, the Central Union and the Standard?

A. I know what you want.

The Master: The only question is whether he has got it here or not.

14338 George E. Woods, Cross.

The Witness: I am seeing if I have it in that shape. The New Amsterdam requirements were 16,872,000 cubic feet.

Q. Now the Central Union?

A. Taking the Central Union and Northern Union companies combined for the purpose of this calculation, that is the way it was shown, their total manufacturing requirements would be 23,395,000 cubic feet.

Q. Now the Standard?

A. 10,897,000.

14339 Q. Were those the amounts which you used as a dividend—that was the amount used as the basis of their required plant capacity—what we want to find out—we have the divisors now by which you obtained these percentages. What figure did you use as your dividend as to each of the companies?

A. Ask me some question you want. I don't know anything about the dividends and the divisor. I have told you the plant requirements.

By the Master:

Q. Let me ask you, Mr. Woods. What did you say were the requirements of the Consolidated Company?

14340 A. 88,500,000 cubic feet.

Q. I will just take the millons 88,000,000. Now, what was the New Amsterdam?

A. 16,000,000.

Q. The Central and Northern Union?

A. 23,000,000.

Q. And the Standard is 10,000,000. Now, as I understand your testimony the total requirements were about 137,000,000. Is that right?

A. That is right.

Q. Those were the total requirements of these various companies. Now you say the total capacity was about 73,000,000?

Mr. Chambers: Call it 74,000,000.

Q. Is that right?

A. That is right.

Q. So the requirements were in excess of the capacity?

A. That applies to capacity—I have given in these cases the total requirements of the Central Union Gas Company, I have not given their requirements on Long Island. If that is what you are looking for there is a mistake to that extent.

By Mr. Chambers:

Q. We want to be able to figure this out? 14342

A. I supposed you were looking for something else, and that is the reason I gave it that way.

Q. We want a dividend and a divisor by which you obtain those percentages.

The Master: I think you have got it. Wait a minute.

By the Master:

Q. Now, Mr. Woods, assuming your total requirements to be 137,000,000, and the Consolidated requirements to be 88,000,000, 88/137ths of the total requirements is over 60 per cent?

A. It will not figure out that way, the way you have it, I am quite sure. 14343

Q. Why won't it figure out?

A. Because I have given the full plant capacities.

Q. 88,000,000 as against total requirements of 137,000,000 would make it about 64 per cent. In other words, as I figure it from your testimony the Consolidated Gas Company's requirements are 64 plus per cent of the total requirements of all these companies?

A. The Consolidated Company, according to these calculations, the requirements of the Consolidated on

14344 George E. Woods, Cross.

those two plants you speak of that year were 62.90 per cent. You have used even millions there, which might have made that difference.

Q. It would not make that much difference?

Mr. O'Brien: Wouldn't it be a good idea to have the witness figure it out himself if he thinks the Master is wrong.

Q. What I want to get at, Mr. Woods is, is there any factor that would vary that percentage? You see on this basis you have charged companies more than you should have charged them. You have set
14345 up a less use of it than my figure. You figure the Consolidated only use the 60 per cent of it. I figured you used 64 plus per cent. If it used 64 per cent, then the charge to the other companies should have been somewhat less?

A. I am quite sure that the figure of 60.92, when we get it straightened out, is correct.

Q. What factor is there?

A. The Central Union requirements from the Consolidated were 11,595,000 cubic feet.

Q. And the Northern Union?

A. The Central and Northern Union were combined at 11,595,000.

14346 Q. I had 23,000,000.

A. That was total manufacturing requirements. They had some plants of their own.

Mr. Ransom: The confusion is between their total manufacturing requirements and part of their requirements. They make some and get some from Long Island.

A. Their total requirements were 23,395,000, of which they had 11,800,000 themselves. The balance of 11,595,000, they drew from the plant located on Long Island.

Q. Their requirements from the Long Island plant were how much?

A. 11,595,000.

Q. What were the requirements of the Consolidated Gas Company from the Long Island plant?

A. 45,000,000 cubic feet.

Q. What were the requirements of the New Amsterdam from the Long Island plant?

A. 16,872,000 cubic feet.

Q. And what was it for the Standard?

A. The Standard Gas Light Company, 397,000 cubic feet. That made a total of 73,864,000 cubic feet. 14348

Q. So that the total requirements of the various companies from the Long Island plant as distinguished from their total manufacturing requirements was 73,864,000 cubic feet?

A. That is right, and of that the Consolidated Gas Company used 45,000,000 cubic feet.

Q. Of approximately 74,000,000?

A. Approximately 74,000,000.

Q. So, if you divide 45 by 75, you should get this figure you are talking about?

A. Yes, sir.

The Master: That is about right.

By Mr. Chambers: 14349

Q. How did you obtain the requirements of the Consolidated Gas Company from the Long Island plant, the 45,000,000 you gave?

The Master: I think he has told us that they took it all; is that right, Mr. Woods?

The Witness: They took it all.

The Master: All of the 45,000,000 they took from the Astoria. As I understood his testimony, they sold no gas to anybody else, except a few local consumers.

Q. How did you know the Consolidated Gas Company required 45,000,000 million feet?

14350 George E. Woods, Cross.

A. We determined as of that time that the reserve capacity of the Consolidated Gas Company, including the Astoria Light, Heat and Power Company, was about 25.8 per cent reserve for breakdown in case of accident or severe winter, et cetera, that we would require 25.8 per cent in excess of our maximum daily send-out. We established the Consolidated figure then for the purpose of making this computation of the property that they owned as a reasonable reserve capacity of 25.8 per cent, and then we put all the other companies on exactly the same basis.

14351 We said we believed the Consolidated Gas Company's figure of 25.8 was fair and reasonable, and if any company has a plant capacity less than a necessary reserve less than 25.8, then some plant was being carried for that company, by some other company, and any company that had in excess of 25.8 was either carrying a plant capacity for another company, or had an excess reserve, in the case of the New Amsterdam Company, for which they received no payment at all.

Q. Where do you get the 25.8 per cent?

A. I am saying that upon our basis, upon our actual experience as of that time, we had a 25 per cent

14352 reserve capacity, which was a little below the actual capacity of one of our largest plants, so that in case of a breakdown or blow-up or anything that happened to one of our larger plants it was felt, and in my judgment it was what we should do and should be doing now, is to have sufficient reserve to take care of the City of New York with one of our largest plants out of business, and so far as reserve is concerned, that is exactly what this company does have in case of accident, explosion or anything that would happen to one of our large plants to put it out of business, and if we did not have a reserve of that kind, then there would be somebody out of gas.

Mr. O'Brien: I move to strike out that part of the witness's answer in which he says, "for which they receive no money at all."

The Master: Motion denied.

Mr. O'Brien: Exception.

Q. Did you make 45,000,000 as the requirements of the Consolidated by taking what the Consolidated made itself, from its sales, and then adding the 25 per cent?

A. From their sales, you mean their plant?

Q. Yes.

A. No, I took the send-out. When those figures 14354
were made—

Q. What did you do with the maximum send-out?

A. I will tell you exactly what happened in this report, Mr. Chambers, as of that time. That year was an abnormally warm one, and our send-out as to that year I think was—I think our maximum send-out was less than the preceding year, and in order to make this calculation I made the statement that the year 1915 or 1914, whatever it might have been, was a subnormal year in so far as gas send-out was concerned, based upon the previous year, and that I believed if I used that figure I would be making a mis- 14355
take, and I added five per cent to bring it up to a normal condition. That is we had a warm winter and had no extremely large send-out, and I believe that I should add this five per cent to get what would be a normal condition, which I proceeded to do, and it was based upon our maximum daily send-out plus five per cent to a normal condition.

Q. You mean by sub-normal, that it was—

A. I mean that the weather was warm, and that our send-outs were not in accord with what they had been previously, and I based it upon the opinion that if

14356 George E. Woods, Cross.

I based it upon that kind of operation or send-out that I was doing something which was not going to exist or continue to prevail.

Q. Then what did you do after you added the five per cent?

A. I established the maximum send-out and found that the difference between their maximum daily send-out based on that and between their maximum operating plant capacity, there was a difference of 25.8 per cent between their actual requirements and their actual plant capacities, including the Astoria plant.

14357 The Master: I must confess I don't know how you figured it now.

Mr. Chambers: I don't.

The Master: What is the plant capacity of Astoria?

The Witness: 45,000,000, your Honor.

The Master: And you say that you figure that the Consolidated takes all of that 45,000,000?

The Witness: They do.

The Master: That is what we want to know. How do you know that?

Mr. Chambers: That is what I want.

The Witness: I was trying to say, your

14358 Honor—

The Master: You are talking about something that you have not asked him.

Mr. Chambers: I will be glad to give way to your Honor.

The Master: No, you won't give way to your Honor.

Mr. Chambers: I just want to say that nobody can make anything whatever out of their papers or claims, you can't tell when they get through whether they are making a lot of money or losing a lot in this case, and nobody will ever know.

The Master: You say the Consolidated takes all of the capacity of the Astoria?

The Witness: I do.

The Master: Tell Mr. Chambers how do you know that.

The Witness: I say that the combined capacity of the Astoria Company—

The Master: I don't care about capacity. How do you know that the Consolidated Gas Company uses all of the gas made by the Astoria Company?

Mr. Chambers: Requires all of it. 14360

The Master: Requires all of it.

The Witness: In order to have a 25 per cent reserve they require the entire capacity of the Astoria Light Heat & Power Company. That is the only answer I can make, your Honor, because we must have a reserve capacity, and allowing for the 25 per cent reserve it requires the balance of the plant of the Astoria Light, Heat & Power Company.

The Master: That is the best statement you can give us now?

The Witness: Yes.

The Master: All of the gas made by the Astoria Light, Heat & Power Company is turned into this main that comes over at 132nd Street and Locust Avenue? 14361

The Witness: Not necessarily. Some may go that way and some goes through the 60 and 48 inch and through the 71st Street tunnel. It goes both ways.

The Master: There are two outlets from the Astoria plant?

The Witness: There are, yes; travels—

The Master: Two different directions?

The Witness: In two directions.

The Master: All right.

Q. You said all the Astoria makes comes to New York through two tunnels?

A. Yes, sir, I did.

Q. It may come one way and may come the other?

A. That is right.

Q. And both companies intermingle, it is gas that both companies make?

A. That is right.

The Master: If you figure all the require-
14363 ments of the Consolidated Gas Company and allow for reserve capacity of 25 per cent, you have got to have the Astoria Gas Company?

The Witness: Yes, you have got to have a plant of that capacity, your Honor.

Q. You don't use that reserve all the while of 25 per cent?

A. No, we don't use it. If we are lucky and don't have any trouble, we would not use it.

Q. So you don't take the 45,000,000, if there wasn't any breakdown or anything like that?

A. We might not be running that plant at full capacity, but it is there for them.

14364 Q. What is that?

A. It is there. If we have plant capacity and reserve capacity, we necessarily cannot be running it all the time.

Q. Have you figured that 25.8 per cent reserve for the other companies, like the New Amsterdam, the Central Union and the Northern Union?

A. That is right. I put them all exactly on the same basis. That reserve at the present time has been restricted to 17.2 per cent.

Q. Take all these companies together, the New Amsterdam, the Consolidated, the Central Union, the

Northern Union and the Standard, do you say, taking them all together, that they are entitled to 25.8 per cent reserve?

A. That is right.

Q. Each one?

A. Yes, at that time that was the reserve that we had. That is the reserve we set up, and all plants, all companies should be treated exactly alike in relation to reserve.

Q. Take the Central Union, do you figure that 25.8 per cent is necessary for that small company?

A. The Central Union is quite a large company, 14366
Mr. Chambers.

Q. What is that?

A. That Central Union is quite a large company.

Q. Whether large or small—if it were a smaller company?

A. If it were a small company, Mr. Chambers, they would need also 25.8 per cent reserve. As a matter of fact, in this company they only need a reserve covering the whole plant, taken as one plant, if we are sending out one million feet a day and had a plant capacity of a million, the probabilities are that our reserve capacity would be 100 per cent. In other words, it would be double in case of breakdown of 14367
machines and so on.

Q. Is there any company in this combination that needs a 100 per cent reserve?

A. There is not, no. Taking them as a whole and putting them all in together, I have said that the thing was treated as a combination, as one operation with the interchange of gas, and they should all bear the burden of the 25.8 reserve.

The Master: If any one of these companies was taken alone and severed from this combination, that company would have to have a 100 per cent reserve?

The Witness: No, not a company of this size.

Q. Well, 75 per cent?

A. No. It would depend on the plant. I would not like to make a definite statement of any one plant, Mr. Chambers. Certainly 25 per cent would be extremely low with any one of the plants operating by itself.

Q. When you speak of reserve, you mean maximum send-out?

A. Maximum send-out, yes.

14369 Q. Take this 5,000,000 cubic foot holder at Kingsbridge, that is a 10,000,000 foot holder?

A. Yes.

Q. You have taken half of this in Exhibit 350?

A. I have taken a holder of 5,000,000 capacity.

Q. An imaginary holder?

A. Yes, an imaginary holder.

Q. And you figure that the Consolidated used all of that imaginary holder?

Mr. Ransom: I object to that.

Q. How much of the 10,000,000 foot capacity holder does the Consolidated use, as you have figured?

A. I stated I thought they were using somewhere
14370 between 40 and 60 per cent in my best judgment; that I had no figures but that it was based upon my best judgment; that the requirements for the Central Union Gas Company were for a five million cubic foot holder, for which they were being charged, and a balance of the expenditure at that point was being borne by the Consolidated Gas Company.

Q. Although they may use more?

A. They may use a little more.

Q. More than the other companies, I mean?

A. As I say, in my best judgment the Consolidated was using forty or fifty per cent.

Q. Who takes care of the repairs at that holder?

A. They were borne by both companies.

Q. You mean in this 100 per cent?

A. Yes, that is right, because the charge for that was ten per cent, which eliminated repairs.

Q. The 36 inch distribution main in the Bronx—

A. Yes.

Q. You figure that other companies use all of that?

A. That is right.

Q. Those are the mains you speak of in the dotted lines here?

A. That is correct. 14372

Q. That the Consolidated did not need at all?

A. That is so.

Q. You haven't seen fit to get rid of both mains?

The Master: What is that question?

(It is noted that Mr. Hayward left the hearing at 10:25 A. M.)

Q. I say the Consolidated has not seen fit to divest itself of these mains, has it?

A. Not so far as I know, Mr. Chambers.

Q. You carried them a good many years?

A. Not a great many years.

Q. Well, since about 1911 or so?

A. 1912 or 1914. I have forgotten the date. I 14373 should say it was around 1914 or 1915.

Q. Did the Consolidated build those mains for these other companies?

A. They paid for them.

Q. Then they must have built them for these other companies?

A. Yes, I guess so.

Q. Who maintains those mains?

A. Those are maintained by the Consolidated Gas Company.

Q. Maintained by the Consolidated?

A. Yes, sir.

Q. The 30-inch transfer main in the Bronx, what is that?

Mr. Ransom: I object to that. That has all been gone over twice before.

Q. A theoretical main is that?

A. That is right.

Q. There is not any such main?

A. No, there is no such main.

Q. What size is it?

A. 30-inch.

14375 Q. 48?

A. 30-inch is the theoretical size.

The Master: The actual size is 48?

The Witness: 48.

Q. Who maintains that main?

A. The 48 is maintained by the Consolidated Gas Company.

Q. I see in column 6 that you have charged 12 per cent to the other companies. What is that; what do you mean by that 12 per cent?

Mr. Ransom: As to which items?

The Master: Column 6.

Mr. Chambers: The first column, the 48-inch

14376 connecting main you charge 12 per cent; 12 per cent on what, the $346,000?

A. 12 per cent on $346,000, that portion of the main being used by the other companies.

Q. What do you include in the 12 per cent, everything that they pay?

A. Everything that they pay, return on the investment and taxes, insurance, maintenance, repairs and renewals. That is, the Consolidated takes care of taxes, insurance, maintenance, repairs and renewals and charges the other companies six per cent on the investment for that work.

Q. Can you give me the details of that?

A. No, I cannot.

Q. What companies contribute to the 12 per cent?

A. Well, in the case of that 48-inch main—

Q. (Interposing.) Yes, speaking of that 48-inch main.

A. The New Amsterdam Gas Company pays $24,282.29, the Central Union Gas Company pays $16,691.42; the Standard Gas Light Company pays $574.10.

Q. How did you apportion that between those three companies? 14378

A. Based upon—exactly the same as these other mains. This is in connection with the—when I have told you that the Standard Gas Company would represent 54/100 of one per cent.

Q. These are the same percentages that you gave me for the 60.92?

A. Absolutely, exactly the same thing. That whole transfer system is based on that percentage.

Q. Or rather 39.08. I knew you used the same base figures for all that, the same computation.

A. That same computation. 60.92 and those other figures apply.

Q. Can you tell me what the 12 per cent is made up of? 14379

A. I said not less than six per cent return on the investment and the balance made up of taxes, maintenance, repairs, renewals, etc.

Q. Can you divide those up? What sum did you use six per cent on?

A. No, I cannot. Six per cent?

Q. Yes.

A. On the investment.

Q. That $346,231.69, did you figure six per cent on that?

A. Six per cent on that in so far as the amounts were being used by those companies.

Q. Can you divide up those other percentages?

A. Taxes, maintenance, insurance, renewals, vary from time to time and I would say six per cent covered those items, so that the company would be covered charging six per cent for that work.

Q. You sort of estimated those things?

A. Absolutely. You do not know the taxes and those other things—repairs. They change from time to time.

14381 Q. You know taxes from year to year, do you not?

A. Yes, taxes from year to year, possibly.

Q. This was for three years or more, a good many years—six or seven years.

A. I used six per cent. I did not undertake to segregate it, but believed six per cent would cover our items of expenditure on that property, Mr. Chambers.

Q. You figured six per cent on the investment was all right?

A. I figured we should not have less than that. I put the minimum at six.

Q. You did not figure any more than that?

14382 A. Well, it was put in at not less than six per cent, and the balance for the other.

Q. Was that your judgment?

Mr. Ransom: I object to the question.

The Master: I will allow it.

A. Well, my judgment was it should not be less than six, and I put it in at not less than six per cent.

Q. Then six per cent is your judgment?

A. Yes.

Q. The ten per cent of the holders, what is that made up of? First, did you figure six per cent on

the investment there of $522,500 in columns 5 and 6?

A. Yes, $522,500.

Q. Six per cent on that?

A. Yes.

Q. Then what is the rest made up of—the other four per cent?

A. Four per cent includes all those things, excluding maintenance and repairs.

Q. Why did you not include maintenance and repairs in that?

A. Because that holder was being used jointly and 14384
whatever repairs, etc., there were, were to be apportioned and made as a direct bill on the work. That is, as the repairs were made to the extent of 50 per cent of them would be charged to the Central Union Gas Company direct. The holder was being jointly used and I felt it was best to have it treated in that way.

Q. Can you give me the portion of the four per cent that is attributed to taxes?

A. No.

Q. Or insurance?

A. Simply that four per cent is to cover the other items, taxes, insurance and renewals. 14385

Q. You made that as sort of an estimate?

A. That is right.

Q. The eight per cent on the land?

A. Yes, eight per cent on the land.

Q. Is that just merely eight per cent on the estimated value of the land?

A. That is eight per cent, not on the value of the land, but as about what taxes were being charged on that land, which were somewhat less than the cost of it.

Q. Did you figure six per cent on that?

A. Six per cent on the investment.

Q. And the other two per cent?

A. The balance to cover taxes.

Q. Was there anything in that except taxes?

A. That is all.

Q. Now the twelve per cent for the theoretical 30-inch transfer main?

A. That is exactly the same as the 48-inch main, Mr. Chambers. Those things in the 48 were in the 30.

Q. And the distribution main was the same?

14387 A. The same thing.

Q. What was your item of insurance on mains? What is that for, what kind of insurance on mains?

A. Well, the whole thing is included there, taxes and insurance.

Q. No, but I want to get you to tell me this. You have an item for insurance on mains; in what way do you insure a main down in the street?

A. Well, I have only put it in because we had holders and such other things there. It includes taxes, insurance, maintenance, repairs, and renewals, etc. There may not be insurance on those mains; I do not know.

14388 Q. You do not include any insurance as to the holders, do you?

A. What?

Q. You do not include insurance on the holder?

A. Why yes the ten per cent only excludes maintenance and repairs.

Q. You do not insure your mains, do you?

A. No, when this was put in covering taxes, insurance, maintenance, repairs, renewals, etc., covering those items which might apply to work of that kind as six per cent, I believed that this six per cent would cover any expense which the Consolidated Gas Com-

pany would be put to in the carrying of that property.

Q. You never have known of the company's insuring mains, have you?

A. Well, I do not know. They insure them when they lay them, etc., but I do not think they insure them after they are in the ground, Mr. Chambers.

Q. I would like to ask you again, have you any idea at all what gas you sell across the river from this Kingsbridge holder, in what you call the Washington Heights territory?

A. I have said that I did not know. 14390

Q. Is there any way that we can tell or find out?

A. I am sure I do not know.

Q. You had to have it in order to find out how much of that holder the Consolidated used.

A. Mr. Chambers, we knew that we required more gas in the Washington Heights section and that it was necessary to build a holder in that vicinity to supply the consumers at that point and maintain pressure, and under our conditions we would never have built a holder less than five million cubic feet capacity even if we had only used two or three million of it at that particular time. When you build a holder you do not build it for six months' business or a year's 14391 business, you have got to build it to look ahead, and while that holder might not be used to capacity just at the moment we build it we would have to build it for five or ten to anticipate the business. You can not figure it down to every two or three or six months.

Mr. Chambers: I would like to have the original Exhibit 351. (Takes exhibit from Mr. Ransom.)

Q. In this Exhibit 351 which you prepared, under the heading "Gas Production" you have for January, 1906, 142 men. What were they, gas makers?

The Master: May I have a copy of that exhibit?

Mr. Ransom: The witness has no copy there either.

The Witness: I have none with me.

(Mr. Ransom hands witness and the Master copies.)

Q. What kind of men did you mean when you stated 142 men at 39 cents an hour?

A. In this particular exhibit I referred to those men that appeared on the pay roll, the hourly or weekly
14393 men in the way of clerks that would apply to the gas production account.

Q. What did they do?

A. What did they do? Why, they were boiler firemen, gas makers, fire cleaners, coal wheelers, ash handlers.

Q. You would not have 142 of those men in a plant making gas, would you—water gas?

A. Why, here are two combined plants.

Q. You mean you had 142 men of that character in those two plants?

A. We must have had them if it is here. We certainly did.

14394 Q. Is that not far too many men?

A. Well, now, you divide that into two shifts, and that leaves 71 men, and that is for two gas works, in a day. That is not very many, you know. They are not small gas works. You divide that, I think, in 1906 into about 12 hour shifts, and that would be 71 men on a shift.

Q. You have 274 men in all here, working at those two plants?

A. Yes, sir.

Q. How many men were there working in the 99th Street plant for gas production?

Mr. Ransom: When?

Mr. Chambers: When he made up this Exhibit. 1906.

A. This figure was made up actually from the pay roll as of that date, Mr. Chambers.

Q. You took the pay roll?

A. As of that date, yes. We took the weekly pay roll. I will see whether I can find it here or not.

Q. You took January, 1906, as the month of your heavy consumption, did you? That is a heavy month?

A. Yes, it is usually a pretty heavy month.

Q. Who picked them out; did you? 14396

A. I do not know. I think I was asked to get up some sort of a statement for each year, and I took it as of January 1st. It just happened that way.

Q. It is purely a happenstance?

A. Yes, as of January; January 1st.

Q. Always the heaviest month of the year, is it not?

Mr. Ransom: Because of labor cost—

Mr. Chambers: Judge Ransom, if you please, we are going along all right this morning, if you will not interrupt.

Q. It is the heaviest month of the year?

A. It is a heavy month, but it would not have 14397 made a particle of difference, Mr. Chambers, and if we had used June or July the cost would have been very much higher than if we had used December or January. Any labor figure that we would get would be better in December or January than any other time of the year.

The Master: Why did you not take one long month and one short one?

Mr. Chambers: Say April.

Mr. Ransom: He has shown September.

The Master: No, he has not. That is for 1919.

14398 George E. Woods, Cross.

Mr. Chambers: Just for 1919.

The Witness: It did not seem to me it would make a particle of difference. All I was trying to show on that schedule was the hourly increased rate of pay. It would not have made a particle of difference what time of year we took it at. All I was trying to indicate was the hourly rate of pay.

Q. When you say the maximum rate do you mean the highest man of those 142 received 39 cents an hour?

14399 A. That is right.

Q. You may have had only one of them; is that right?

A. 39 cents an hour, whatever it may have been.

Q. How many did you have at that price?

A. I don't know, there may have been one or two.

Q. You are familiar with this?

A. I know, and 1906 is a long time, and I don't know what rate of pay all of our men got. I can't carry all these things in my head.

Q. You may have had one or two at those rates?

A. Yes.

Q. And the lowest rate you paid these gas producers

14400 was 15 cents an hour?

A. That is right.

Q. And you may have had a number of them at that price?

A. Yes.

The Master: Mr. Woods, do any of these statements here show the number of men required during any one week or any one month for the make of gas, any of these statements that you have brought here?

The Witness: The make is not indicated as of this week, your Honor. That make as of this time could be given you.

The Master: What I have had in mind right along, Judge Ransom, was that I should like to see in evidence the records showing the actual number of men actually employed during a long and a short month for several years, the actual amount of material used according to their records, say for January and July, two or three years, proved up by the men in the plant themselves, so there could not be any possible question.

Mr. O'Brien: They have all that in one little book that could be brought here in order to give you just what you want. 14402

The Master: Is there any difficulty with that, Judge Ransom?

Mr. O'Brien: I was going to ask them to bring that here for my cross-examination.

The Master: Is there any difficulty with that, Judge Ransom?

Mr. Ransom: I should think that would be an almost interminable problem.

The Master: Why? As I understand it, you keep very complete record showing the number of men employed daily, the amount of material you use daily, and the amount of make.

Mr. Ransom: I have a schedule right here 14403
which I can readily prove by this witness, because he made it up, showing the number of men at each plant at the different times, on the different dates, and the rate paid per hour.

The Master: You want me when I reach a conclusion here to find it practically beyond question, don't you?

Mr. Ransom: I do, and also within reasonable limits of time.

The Master: Yes, so do I. I can't stay here very much longer myself. What I am going to

do is this: Taking any fixed period, I would like to have you give me the make with the number of men used, so I can check up some of this other testimony. I don't care for a month, any period of time, a period of two or three years, so you can bring the men down who keep the records, the superintendents of the plants or somebody who can testify of his own knowledge, from records made by him at the time, who saw the men, so I can have something to which I can point and say, "Now, beyond any question to make 1,000
14405 cubic feet of gas requires at least so much oil, at least so much labor, at least so much material of various kinds." That is what I would like to get, and I think it would be useful to you.

Mr. Ransom: I will consider your Honor's suggestion in that respect. My own judgment has been rather clear that that could not be done in a practical way that would be helpful to you.

The Master: Suppose you look into it.

Mr. Ransom: I will consider it and indicate my—

The Master: Of course if it cannot be done and I have to reach a conclusion other than from
14406 the plan I have suggested, I will have to do the best I can, but I should think it would be a mighty useful thing to you if you could get me some direct positive proof on the essential basis of the cost of making gas, without taking any chances at all about the rules of law as to the admission of records or anything else. If you could have Mr. De Castro, who seems to be Mr. O'Brien's favored superintendent—

Mr. Ransom: Unfortunately Mr. De Castro, the superintendent of the 99th Street station, is in the hospital.

The Master: Then take the other gas plants, or you may have somebody else who is familiar with the records, some clerk there who sees these records made from time to time, somebody who will say, "I am familiar with these records, I saw them from day to day."

Mr. Ransom: The difficulty is that proves only one single situation. In the second place, it is very difficult to take any short time and say that it is typical, because the only thing that is typical about the gas industry is a year. For instance, in January, when the labor cost per 14408 thousand cubic feet is low, they will say we should have taken the summer. It varies from month to month.

The Master: That is why I think if you take say the month of January, 1915, and the month of July, 1915, your records will show how many men were employed during that month, will they not?

Mr. Ransom: Yes.

The Master: You can prove that beyond any question by somebody, by the men—

Mr. Ransom: By the men?

The Master: Yes, the superintendent of the 14409 plant, who knew how many men he had in his place.

Mr. Ransom: How does he know now?

The Master: By his records, he could swear to it.

Mr. Ransom: We have proved it by the records.

The Master: No, you have not proved it by a man who knows it himself. You have only proved it by men who have records and reports

on which they base it. I do not want you to go over all these years, but I would like you to take some one period, any one month of any year, take a long month, and a short month you could bring in here proof beyond the shadow of a doubt that during that month you made so many cubic feet of gas, and in that month to make you had in your employ so many men, actually proved by the superintendent of the plant, and then the material used, so much coal, so much oil. That won't prove every feature of it of course, but it will give me
14411 very definite basis. From all of these records and from all of this information, plus the absolute proof that during a particular period so much labor and so much material, etc., were used, I can figure it out beyond the shadow of a doubt, to a cent.

Mr. Ransom: The difficulty is that there is no month that will check up to a fraction of a cent, or anything like it, or even a year.

The Master: Well, if it cannot be done it cannot be done, that is all.

Mr. O'Brien: Can I be heard on that, your Honor?

14412 The Master: What have you to say?

Mr. O'Brien: There is in every gas works a book, a record, that is kept, that is designed by those who run the institution and spend its money, to be a means of finding out the state of their business at all times; the amount of gas they are making, the amount of the output; the various quantities that are used each day and all the materials that enter into it, the amount of labor, the amount of water, the amount of tar, the amount of drip oil and coke and grease and all. Now they leave that in this company, and it is made up from

reports that come in from day to day, and these volumes are so built that they cover a long term of years, and you do not need a van to bring them here. You could take from the 99th Street station the existing carbonizing book there, the manufacturing book, and it will cover the period referred to, and bring it down and the man in here who knows something about it, and we will get down to something that looks like evidence, and we can determine in short order the reliability of that record. I submit that the suggestion made be a direction. 14414

The Master: No, I will not direct.

Mr. O'Brien: If it is not brought in, there will be only just one more big, glaring defect in this case.

The Master: I won't direct them.

Mr. O'Brien: And you cannot reach a conclusion unless you get such things.

The Master: Then that will be a penalty they will suffer, if I cannot reach a conclusion; but I am not going to direct them how to prove their case. I have made a suggestion of what I would like to see.

Mr. O'Brien: Another point that I want to 14415
emphasize—not only in the gas works, but they have a permanent record that is handy and does not take up much room, and you can at a glance see the results from day to day; as a rule you will find in the gas companies some employees who have served for years, who have been there for long terms of years; there is a sort of *esprit de corps* about them. They stick around the gas works. Those who have the jobs keep them, and you can sometimes get a man whose memory may be good on things that took place

years ago, who would make a very good, impressive and reliable witness.

The Master: And when they bring their records in, you object to them and say they are not accurate.

Mr. O'Brien: That is where you find there are errors. I will object if it is necessary to object.

The Master: Next question, Mr. Chambers.

By Mr. Chambers:

Q. Why do you jump from 1906 to 1914, eight years?

14417 A. Well, I took back to 1906 because it was about the time of the 80 cent gas case, and from 1914, covering a period of part of the war, and going up, covering those last four or five years.

Q. You did not take 1915, which you said was sub-normal?

A. I said that 1915, as I recall, was sub-normal insofar as output was concerned, or send out. It was a warm year. Only to that extent, that is, that the weather was warm and we did not get the send out.

Q. 1916, was that a normal year?

The Master: As to what?

Mr. Chambers: As to anything in the gas

14418 making business.

The Master: You mean the send out, weather, labor conditions?

Mr. Chambers: Yes, prices of oil and coal.

A. My recollection is that probably it was.

Q. There must have been something happened between 1906 and 1914. You have a jump here of a maximum rate of 3.92 to 6.04?

A. Yes, there was a very material jump. In 1906 we were on a twelve hour basis for 24 hours work. That is, on all 24 hours work there were two shifts.

Q. When did you change to three shifts?

A. I think it was around—my recollection is it was in the fall of 1911, Mr. Chambers; and then we went on to a nine hour basis instead of eight.

Q. How many hours do you work your men now, your gas producers?

A. Everybody is on eight-hour basis.

Q. Eight hours?

A. Yes.

Q. When did you go to eight hours?

A. I think in about 1914.

Q. That explains the somewhat raise of the average rate? 14420

Mr. Ransom: Hourly rate.

Q. Of the hourly rate, doesn't it?

A. The hourly rate—well, naturally.

Q. You lost an hour?

A. We lost an hour, yes.

By the Master:

Q. You paid the men by the hour, the day or the week?

A. By the hour, your Honor, most of the men.

Q. By the hour?

A. Yes.

Q. Do I understand that you pay a man 85.7 an hour? 14421

A. Yes, on an eight-hour basis.

Q. You don't hire men at 85.7 an hour?

A. No, a man—

Q. You pay so much a week?

A. We may have—for instance, a general foreman and a few men will be on a weekly basis, if that is what you mean?

Q. Yes.

A. 95 per cent of our men will be on an hourly rate.

Q. Why didn't you give me the exact hourly rate that you pay them?

Mr. Ransom: We did.

Q. You pay the men 50 or 60 or 70 cents an hour, don't you?

A. Yes.

Q. Why didn't you give me that, why this odd fraction?

A. Well, we do pay odd fractions, your Honor. We don't confine ourselves to 43 or 43 1/2. It might be 43 1/8.

Q. How do you figure 43 1/8 cents for a man?

A. That just happens to figure their increase, but
14423 sometimes we could not drop down to the 40 without the man feeling that he ought to have a little bit more, maybe five per cent, or twenty-five cents a day, and that sometimes happens in order to make sure that the man would get what he was entitled to. There are quite a number of rates—there are quite a number of rates—

By Mr. Chambers:

Q. How many of these 130 men in September, 1919, were working by the week—gas producers?

A. How many of them?

Q. Yes.

A. Probably not any outside of the foremen. There
14424 would be some of the foreman on weekly pay.

Q. Do you include the foremen in there?

A. Yes, some of the clerks in gas production would be on weekly pay if there are any clerks shown, I am not sure. As the storeroom clerk, the timekeeper, possibly, whatever their weekly wage was, put on an hourly basis—put on an hourly rate for the purpose of that exhibit.

Q. Repair laborers, what do they do?

A. All sorts of repairs, anything that might be going on. There is general repairs around the plant, assisting sometimes.

Q. Might they repair the mains up there in the Bronx, these dotted line mains?

A. This is gas production.

Q. Have they anything to do with mains?

A. Gas production has absolutely nothing to do with mains.

Q. They make no repairs outside of the works?

A. No, their job is to make gas?

Q. You had in 1919 62 repair men in those two plants?

A. That is probably so.

Q. I cannot see what you did with so many repair men. It seems to me they would be in each others way? 14426

A. Some day I would like to take you around the plants and let you see what they do, Mr. Chambers. I think it would interest you.

Q. You are pretty sure there are 62 in those two plants?

A. If there are 62 on this sheet, there were 62 on the pay rolls and they were working.

Mr. O'Brien: How about the manufacturing book?

Q. These men are not any part of the 130 gas producers, are they? 14427

A. No. The 62 are repair laborers.

Q. They are separate and distinct people?

A. Yes.

Q. And handling materials?

A. Yes.

Q. You have got 56 more men?

A. Yes.

Q. You are sure they were up there?

A. They were there at that time, Mr. Chambers.

Q. What do they do?

A. Handle material of all kinds.

14428 George E. Woods, Cross.

Q. You mean shovel coal?

A. Probably, in gas production.

The Master: Is this as of September 1st?

The Witness: He spoke of 56 as of September, 1919.

The Master: Was it in September?

The Witness: I think it was taken as September 20th pay roll?

The Master: The September 20th pay roll?

The Witness: I think it was the pay roll as of September 20th. That is my recollection.

14429 The Master: In other words on that pay roll you had 56 men who handled material?

The Witness: Handled material at those two plants.

By Mr. Chambers:

Q. Miscellaneous laborers, indexers, governor housemen, watchmen, 21. I see in 1918 you jumped up to 26. You had a lot of extra watchmen on, didn't you, during the war, during 1918, especially?

A. Yes.

Q. Extra watchmen to watch the works?

A. Yes.

Q. That was an added expense?

14430 A. That would not appear in this account.

Q. The 26 men are watchmen?

Mr. Ransom: May I see that a moment?

Q. Wouldn't that appear?

A. As any special watchman?

Q. Yes.

A. No, it would not appear there.

Q. Why 26 in 1918 and only 21 now?

A. Well, we may have one or two more for some reason.

The Master: I suppose Mr. Rockefeller had friends that he wanted to take care of.

14431

Mr. Chambers: May be.

The Master: What is the use of wasting time?

Q. 1918 was an extraordinary time so far as caring for your works was concerned, wasn't it?

A. You mean instead of having four men we had more?

Q. Wasn't it necessary that you should guard your works very carefully?

A. Yes, the works were guarded in 1918.

Q. More so than in other years?

A. Yes, we had a lot of guards.

The Master: That is all I will allow on that.

14432

Q. What did these men do, these 21 in September?

A. Miscellaneous laborers, indexers, governor house men, watchmen?

Q. Yes.

A. Indexers, governor house men and watchmen, et cetera—just what those titles indicate.

Q. Is there any salaried man among them by the week?

A. No, I think not. We may possibly have governor house men who have been very old employees, who might be on a weekly basis.

Q. How about handling material men; any weekly men in that list of 56?

14433

A. I don't think there would be, Mr. Chambers, none in that at all.

Q. What do you mean by this column here, "Increase in hourly average rates"?

The Master: It explains itself Mr. Chambers.

Mr. Chambers: I don't understand it.

The Master: It indicates by that the difference between the maximum rate between January, 1906, and September, 1919, was increased 78.6 per cent, and that the minimum during the same period increased 164.3 per cent.

14434 George E. Woods, Cross.

Q. Did you allow for the difference in the hours of work?

A. This is the hourly rate paid, that we were paying, actually paying.

The Master: In other words, Mr. Woods claims that they are paying 80 per cent more now per hour for that kind of labor than they did maximum in 1906, and pay 160 per cent more for minimum for the same kind of labor than in 1906.

The Witness: May I correct you in that state-
14435 ment?

The Master: Yes.

The Witness: The 78 per cent is an increase over our average rate for 1914, and the 164 per cent is the increase over our average rate of pay for 1916.

The Master: And the maximum is between 1914 and 1919?

Mr. Ransom: It is figured on an average basis.

The Master: Between 1914 and 1919.

Mr. Ransom: The figures in the average rate are.

Mr. O'Brien: Is that a rate of average?

14436 The Witness: Yes.

The Master: And in your last column you have the average for these periods?

The Witness: Yes.

The Master: You have taken the increased average between 1914 and 1919 for maximum?

Mr. Ransom: One is the increase on the average between 1906 and 1919, and between 1914 and 1919.

The Master: In other words, between 1914 and 1919, the average increase was 78 per cent?

The Witness: Yes.

The Master: And between 1906 and 1919 the average has gone up 164 per cent?

The Witness: Yes.

By Mr. Chambers:

Q. Is it January for each of the years, 1906 to 1919, inclusive?

A. Yes.

Q. January?

A. Yes.

The Master: No, not 1919 inclusive.

The Witness: January 19th and September 19th, January and September. 14438

Mr. Ransom: I may say, if the Court please, that I have such a detail with respect to these various statements that your Honor has referred to, of producers at this time, that I am willing to let counsel have the benefit of it in cross-examination, because it shows the number of each kind employed on each of the dates and the rates of each account that was being paid. I would like to have it marked for identification.

The Master: Suppose we mark it for identification. You mean it is in amplification of what this witness is testifying to?

Mr. Ransom: Yes. 14439

Mr. Chambers: This is a striking illustration, if your Honor please, of doing the very thing that we complained about, that is, introducing a paper, which has happened a number of times while I am cross-examining a witness.

The Master: He is not introducing it, but marking it for identification.

Mr. Ransom: I will give you a copy of it.

Paper marked Complainant's Exhibit 358 for identification.

Mr. Chambers: He is starting in to disconnect my cross-examination.

14440 George E. Woods, Cross.

The Master: It is just to be marked for identification, and he is going to give it to you for your use, without your being in any way bound by it, in case you want to use it in cross-examining the witness and under the circumstances will not apply the rule that because you use it is going to be received in evidence.

Mr. Chambers: That is not the point.

The Master: I am going to declare a recess of ten minutes, so as to allow you to look it over, and if there is anything you want to look
14441 at and use, you can do so.

Mr. Chambers: I say respectfully that you will not permit Mr. O'Brien or myself to interrupt Judge Ransom.

The Master: No, and I will not permit him to interrupt you.

Mr. Chambers: While in the middle of my cross-examination, he asks to mark a paper for identification, claiming that it will help me in some way. I just want the rule to work both ways.

The Master: So do I.

Mr. Chambers: Let us interrupt him occasion-
14442 ally.

Mr. O'Brien: Your Honor, I would like to ask at this time, under the direction that I think you gave earlier in the case, that if at any time we want to have for the purpose of examination here separate data, you would direct them to have it in court.

The Master: Yes.

Mr. O'Brien: I would ask now that for our session on Monday the complainant have brought here the manufacturing books of 99th Street, and 21st Street Stations.

The Master: For what period of time?

Mr. O'Brien: For the period covered by the witness's testimony, 1906 to date.

The Master: How many books are those that Mr. O'Brien is asking for?

The Witness: I don't know. Do you want the manufacturing books, pay rolls and everything?

The Master: No, manufacturing books that Mr. O'Brien asks for.

The Witness: I don't know; probably three or four books.

The Master: Only three or four books? 14444

The Witness: Yes.

The Master: Then let us have them here on Monday.

Recess from 11:00 to 11:10 A. M.

Q. Mr. Woods, I notice from this Exhibit No. 351, sheet No. 1, that so far as gas production is concerned the number of men was the highest, much higher in 1918 than it was at any other time by 20 to 25 cents? 14445

A. As of January, 1918, we were making quite a large quantity of gas at our station. That was about the period of our maximum make.

Q. Well, you seem to have had more men there than any other year that you give?

A. We made more gas at that time than we ever made before.

Q. Have you any other explanation of it than that?

A. None other.

Q. How much more did you make in 1918 than you ever did before?

A. You mean at the period?

Q. In January, yes.

A. I should say at those two stations we probably made just along at that time probably 15 per cent more at those two plants.

Q. Than you ever made before?

A. Yes.

Q. And it took 15 per cent more men?

A. Well, whatever men were there it took that number of men. I don't know whether the percentage figures out 15 or what.

Q. Now, "handling material" seems to be highest
14447 in 1918 of any of the periods you give. How do you explain that?

A. For the reason I suppose handling material at that time we were drawing from stock, so it required a greater number of men to handle the material. We were drawing from sheds across the street, etc., in order to get coal.

Q. That is the only explanation you can give for that?

A. That with the increased make.

Q. Didn't you make more gas in 1914 than you did in 1906?

A. Did we make more?

14448 Q. More gas in 1914 than you did in 1906?

A. I don't recall the figures. We probably made as much, Mr. Chambers. I don't recall now.

Q. You used a less number of men to make it in 1914 than you did in 1906?

A. Yes.

Q. It is not always true that it takes more men to make more gas?

A. Well, that probably reflects efficiency. You are covering the period from 1906 to 1914, and we were probably getting more thousand cubic feet per hour of man in 1914 than we were in 1906.

Q. Did it fall off from 1918 to the present time so much that it indicated less production?

A. You are speaking now between 1918 and September, 1919?

Q. January, 1919.

A. Yes, we probably made less gas in 1919 during that week than we did in January, 1918.

Q. You think that would account for the difference in men?

A. I think that would account for the larger part of it.

Q. What else would enter into that? 14450

A. Well, that would be all. I don't recall the circumstances now, Mr. Chambers. It may have been that it was a little easier to get our coal in 1919 from storage, etc., than it was in 1918. There may have been a condition there, but I think it was largely reflected in the make.

Q. Why would it be easier to get your coal in 1919 than in 1918?

A. In 1918 we were on our heavy load there, the probabilities were we were going across the street hauling coal in, and that reflected a greater number of men to get the coal at the generators.

Q. Do you remember that the winter of 1917-18 14451 was a severe one?

A. It was.

Q. The severest winter you have known in this locality ever; wasn't it?

A. Yes, it was an extremely cold winter.

Q. Now, didn't that have something to do with it?

A. It naturally had something to do with the number of men, because we were making more gas.

Q. Would the men be less efficient in very cold weather?

A. No, I don't think so.

14452 George E. Woods, Cross.

Q. Now, the men who handled the material—oh, I asked about that. "Miscellaneous labor; indexes, etc."—why did you have so many more men in 1918 than you ever had before or since?

A. Well, we had six men in the two stations more than we had in 1917, and four more than we had in January, 1919.

Q. You had 30 per cent more men in 1918 than you had in 1917. How do you account for it?

A. Well, I didn't account for it except that we have those men employed on miscellaneous labor, watch-
14453 men, or something as of 1918. A matter of six men in three shifts, it might have meant one man extra in each shift doing some sort of work—I won't undertake now to say what it was.

Q. Some of these men might have worked in that government plant, might they not?

A. They did not.

Q. Some that you had?

A. They did not.

Q. None of them?

A. No.

Q. You have not included any of those?

A. No.

14454 Q. How can you tell that from the pay roll?

A. We kept them separated on the pay roll. In January, 1918, we were doing no government work.

Q. Now, sheet No. 2 of Exhibit 351, "Manufacturing stations"—at those two stations you had all of those men, 274 in 1906?

A. Absolutely.

Q. Are those in addition to these other men?

A. No, that is simply a recapitulation of what is on the first sheet.

Q. Oh, I see, the same as at the bottom of sheet 1?

A. It is a repetition of the last schedule on the first page.

Q. What are these holder station men? That is additional, isn't it?

A. As of September, 1919, it is additional, because we had painters working on the holders in September which we didn't have in January, and it reflected that amount of men.

Q. In other words, you have 144 for September, 1919, and only 62 for January, 1919?

A. Yes, that would apply.

Q. How often do you paint the holders?

A. About every second year.

Q. How many holders were you painting in September? 14456

A. We were painting 111th Street, Kingsbridge—

By Mr. O'Brien:

Q. Last year?

A. No, this is this year. We were doing some work at 65th Street.

By Mr. Chambers:

Q. Are you going to charge some of that painting of the Kingsbridge holder to the other companies?

A. Oh, yes, they will be charged.

Q. Now, give me all the rest?

A. Well, I think that most of the painters were employed during this period at 111th Street, Kingsbridge and 44th Street. 14457

Q. Were you not painting all your holders?

A. We are painting them; we have not finished.

Q. Painting them all this year?

A. We expect to. The difficulty is we have had so much rain—

Q. You are not doing it to add up expense, are you?

A. Oh, absolutely not.

Q. So as to make a bad showing for this case?

A. Absolutely not.

Q. That has not anything to do with it?

A. No.

14458 George E. Woods, Cross.

Mr. O'Brien: Linseed oil is cheap.

Q. They reached a period, I suppose, where they had to be painted this year?

A. I testified that we usually paint them about every second year.

Q. Did you paint them in 1917?

A. I think so. We certainly painted some holders in 1917. There are probably some holders that would have been painted in 1918 if it had not been for our inability to get some men to paint them.

Mr. O'Brien: You have got a good many men
14459 on the Kingsbridge holder, Mr. Woods, have you not?

The Master: Do not answer that.

Q. Mains and service department: Why did you have so many in 1914?

A. What are you referring to now, Mr. Chambers?

Q. Mains and service department. You have got 234 in 1914 and only 140 in 1919?

A. Because we were probably doing more work in the mains and service department.

Q. You mean you may have been laying those mains up there for the Central Union?

A. Oh, no, that is not an asset account at all; it
14460 is repairs.

Q. How do you account for that variance?

A. It may have been the result of 1914 conditions. The probabilities are that there was certain paving going on. There had to be overhauling going on to take care of things. At that period of the year, however—I would qualify that, because I do not think there would be any repaving done at that time. But there evidently were leaks or something going on. I do not recall as to what was done. A certain number of men were employed.

Q. It would be a tough bunch to be paving in January, would it not?

A. I made a misstatement on that. They would not be doing paving in January.

Q. Can you account for all those men, 234 being on mains and service repairs in January, 1914?

A. Absolutely.

Q. What?

A. Absolutely, they were on the pay roll and they must have been working.

Q. Your defense here always is that they are on the pay roll.

A. Well, they would not be on the pay roll if they were not working, Mr. Chambers. 14462

Q. Are you sure about that?

A. Absolutely.

Q. The shop department, you seem to have had more in January, 1914, than at any other time that I see here?

A. Yes.

Q. There are 300—no, 400 more, nearly, than you have in 1919?

A. Yes.

Q. How do you account for that?

A. That was because we were having trouble with labor at that particular time.

Q. You mean trouble with labor in 1914? 14463

A. Yes, in the shop department.

Q. A strike?

A. There was trouble in the shop department, yes.

Mr. O'Brien: You mean in 1914?

The Master: Do not answer that.

Q. In 1914 you had a strike?

A. That is my recollection, yes.

Q. January 1st, 1914?

A. About that time, yes.

Q. That is the way you account for it?

A. Getting in extra men to do this work, etc.

14464 George E. Woods, Cross.

Q. These two columns over here, 74 per cent and 144 per cent and so on, the same explanation you make for that was you did for the other percentages on sheet 1?

A. Yes, that is the method of calculating it.

Q. These holder station men, are any of those weekly or monthly or yearly employees?

A. I think they are all hourly men, Mr. Chambers. I think there may be one or two weekly men.

Q. How about the mains and service department?

A. There are probably some weekly men on that.

14465 Q. How about shop department?

A. There would be some weekly men on that.

Q. When you paint your holders do you let out a contract for public bidding, or do you go at it yourselves and paint it?

A. No, we think we can do it cheaper ourselves. We have gotten contracts and find we can do it about half what a contractor will do it for.

Q. How are you doing it now, by contract?

A. No.

Q. Doing it yourselves?

A. We are.

Q. Hiring the men?

14466 A. We are.

Q. Take the holder station, Mr. Woods, in your maximum rate and your minimum rate, how is it that you get so many odd percentages like 13.33 per cent and 42.67 per cent?

A. Well, somebody is probably getting 42 2/3 cents per hour or something like that, or being back on a nine hour basis it might figure that.

Q. And 42.67 per cent and 24.68 per cent. How did you get those?

A. Either the man was on an hourly basis or may have been on a weekly basis, and if he were on

a weekly basis it would be divided by the number of hours he worked and that hourly rate was applied.

Q. So that as to such a man if the number of hours were reduced, as you said, his wages remained the same, his hourly rate would go up; yet the man would not receive any more money?

A. He would not receive any more money, but he would be working a shorter length of time and we would have to get another man to fill up the time that he was not working under the new conditions.

Q. You do not think, then, he could do in eight hours just as much as he could in nine? You do not 14468
believe in shorter hours?

Mr. Ransom: I object to the question.

Mr. Chambers: That is a fair one.

The Master: I will sustain the objection.

Mr. Chambers: Exception.

Q. Can you tell in any of these subdivisions you have here how many men work at the maximum rate and how many at the minimum?

A. I cannot unless I might segregate these things.

Mr. Ransom (handing witness paper): What time do you refer to?

Mr. Chambers: The time stated in this exhibit. 15569

Mr. Ransom: Which?

Mr. Chambers: Any of them. Say January, 1906.

Mr. Ransom: As to what?

Mr. Chambers: Holder stations—any of them, I don't care.

The Witness: Well, you can read them down here, the holder stations for January 1, 1906. We had one foreman at 30 cents an hour, and that is the highest rate.

Q. One foreman at 30 cents?

A. Yes

14470 George E. Woods, Cross.

Q. Well, that is the only one?

A. That is the only one I see.

Q. All the rest were under a lower rate?

A. We had 29 1/16 cents for a man, 27 1/2, 25.

Q. If that is typical, then usually you had just about one man who worked at the maximum rate?

A. Well, the probabilities are there would be one man at the maximum. There might be two.

Q. And a whole lot of them at the minimum rate?

A. The average is there. That is a weighted average, Mr. Chambers, so that is the average rate of
14471 pay of all the men who were employed.

Q. Have you the holder stations in January, 1906? Will you figure that out for us and show us just how you computed it?

A. Well, I would have to go and refer to all these things. That would be an hour's job to do that. I can do it.

Q. You can tell us how you did it?

Mr. O'Brien: Will you spend ten minutes on it, your Honor?

The Master: No, we will not finish today, he can do it between now and Monday. Make that note Mr. Woods, to make that calculation
14472 between now and Monday.

Mr. O'Brien: The witness says these are weighted averages.

The Master: Let him figure it out and show you how he made it.

Q. Exhibit 352, gas production labor, the amount $62,672.52 is what, dollars?

A. $62,672.52, yes; that is dollars.

Q. What is the first column, 4,950,671; is that cubic feet of gas made?

A. That is 4,950,671,000.

Q. That is the make at the 21st Street station for that whole year of 1906?

A. Right.

Q. What did you do, take that off the books?

A. Yes, I got it from the records.

Q. You did not measure that up yourself?

A. Oh, no, I did not.

Q. It was measured by others?

A. No; it took a meter to do that. I did not measure it, Mr. Chambers.

Q. You did not take it off the meter?

A. No, I did not take it off the meter.

Q. It was taken off by the superintendent or somebody, was it not? 14474

A. It was taken off by a man engaged to do that work.

Q. Is that the make measured by the water meter you spoke of in the station?

A. With the necessary correction.

Q. What do you mean by the necessary correction?

A. Correction for temperature.

Q. Gas production labor; what do you include in that for that year?

Mr. Ransom: I object to the question. That has all been described in detail, what the labor was and covered in the uniform system of accounts. 14475

The Master: Is that so, Mr. Chambers?

Mr. Chambers: I have not heard to my knowledge as to this Exhibit.

The Master: What Exhibit is that?

Mr. Chambers: This is Exhibit 352. All I recall about it was that they shoved it in here so fast we could not tell what it was.

The Master: I will allow it. Answer the question.

Mr. Chambers: Mr. Maltbie calls my attention to the fact that the uniform system of accounts

14476 George E. Woods, Cross.

was not in effect at all at that time, so how could counsel say that?

Q. What have you to say about that, Mr. Woods?

A. Well, to the best of my recollection, Mr. Chambers, it is practically the same as the uniform system of accounts. There may be some little changes that were not included just at that time. I would not undertake to tell you what they were.

Q. You have produced a figure here for gas production labor. Can you not analyze it for us and tell us what it is?

14477 A. No, I took that from the accounts as what it showed against gas production labor as of 1906.

Q. What did you include? You struck a figure here of 1.26 cents as the cost per thousand cubic feet, you are now trying to show us that it cost you so much to make gas: now, what did you include in that?

A. As I say, I think it included practically everything in about the same way as is done at the present time in accordance with the Public Service Commission requirements. I say that there may have been some little incidentals that were changed from 1906 but I would not undertake to say.

14478 Q. Where did you get that figure from—this $62,000?

A. I got it from the accounts.

Q. Who made it? You did not take that out of the accounts, did you?

A. Did I dig these up?

Q. Did you dig up that $62,000 out of the accounts of the company?

A. Yes. I got that out: I got that from the yearly statement, in which I found this amount of money.

Q. Got it from where?

A. A yearly statement which showed just this amount of money.

Q. One of the gas company's records?

A. Yes, gas company records.

Q. I show you the uniform system of accounts, (handing to witness). Please point out to us where there is any such heading as that, if you can?

A. As what?

Q. Gas production labor?

A. Well, I do not know whether it is in here or not.

Q. You said it was practically the same as that. Where is it?

A. The answer to that is I would not undertake 14480
to say. Here is the generator house labor, purifier house, miscellaneous labor, boiler fuel, production expense. It would probably come under production expenses. Works superintendence, retort house labor, generator house labor, purifier house labor, boiler fuel—

Mr. Ransom: Not boiler fuel.

The Witness: Not boiler fuel; this is labor. But miscellaneous labor at works. Those go into the gas production labor, I suppose.

Q. What I want to know now is which ones you have included in that; those you have named?

A. My answer to that is, Mr. Chambers, that I did 14481
not keep these accounts, and I believe the account was kept much as it is being kept now, with some few minor changes; so that I think this represents the cost as required by the uniform system of accounts. That is the best answer I can make to it.

Q. I know, but you said in 1906 it cost for gas production labor so much money, which you have reduced to cents per thousand cubic feet. Now, we are entitled to know, or else you will have to disown your figure, as to exactly what you included in gas production labor?

14482 George E. Woods, Cross.

A. Well, I would not undertake to tell you right now. If you want that information, I will probably be able to dig it up for you, but I would not undertake to give you that answer now, because I—

Q. For instance did you include repair labor in it?

A. Repair labor would come under another item. Repair labor was indicated there.

Q. Can you tell us what you included in that gas production labor?

A. I have made a statement in relation to that, Mr.

14483 Chambers.

Q. I don't think you— you have not told us.

A. My judgment is it included those things that are included in the uniform system of accounts.

Q. Read them off the uniform system of accounts.

A. I have lost the page. Will somebody tell me?

Mr. Ransom: Page 39.

Q. Read them off so we will get them all.

A. Works superintendence, boiler house labor, generator house labor, purifier house labor. That practically shows about the accounts that are included in that.

Q. Doesn't it include retort house labor?

14484 A. Yes, if we had retort house labor. Probably during 1906 we did have retort house labor in connection with that, which, however, would probably have been charged to the 14th Street station.

Q. Does it include miscellaneous labor at works?

A. I think the miscellaneous works probably goes in —I am not sure. I think it goes in works expense. Miscellaneous—

Q. At the 44th Street station the same items included?

A. They would be included in the same way, whatever was in one would be in the other.

Q. And the same at the 99th Street station?

A. Right.

By the Master:

Q. Generally speaking, do these headings indicate the character of the labor?

A. It does, your Honor.

Q. In other words, the gas production labor as distinguishable from the labor used in handling materials?

A. That is right.

Q. And those you would distinguish from the labor that you used in handling residuals? 14486

A. Yes.

Q. So that if you took repair labor, you won't find in the repair items any of the items that are in the gas production labor?

A. No, sir.

Q. If you take works expense, you won't duplicate in the items appearing elsewhere any repair or handling labor?

A. No, there would be no duplication in any of those items.

By Mr. Chambers:

Q. Now, I see it cost you, according to that figure here, it cost you nearly one cent more to make gas 14487 at the 99th Street station than it did at the 21st Street station, in 1906, for gas production labor?

The Master: Gas production labor?

Mr. Chambers: Yes. How do you account for that?

A. Well, there is one plant made about a billion feet and the other made four billion, and the conditions were somewhat different, and you would not find any two plants where the production labor would be the same.

Q. That is generally so, isn't it?

A. It is a reflection of that. Sometimes you will find a small plant will do as well as the others.

Q. In other words, you can't go to work and say that a certain plant ought to have a certain charge for a thousand cubic feet, a stereotyped set charge for that amount of gas made, for gas production labor?

A. Well, take plants generally, and base it upon a plant such as we are operating here, you can give an approximate figure as to the gas production labor covering a period of time; you could not give it for a month, but covering a period of time under the
14489 conditions which you know, you could make an approximation. It does vary.

Q. Here is a whole year on gas production labor, here is two plants?

A. Yes.

Q. Not so very far away, in the same city, operated by the same company?

A. Yes.

Q. And yet one pays, according to your figures, nearly one cent more for gas production labor?

A. Yes.

Q. Showing, doesn't it, clearly, that you cannot lay down any yardstick—any rule like a yardstick
14490 for measuring anything in regard to the making of gas?

A. I would not care to say it would be absolutely the same in any two plants. Giving the plants the same type of apparatus handled in the same method of handling material, and so forth, and let them work along in a uniform general way, and there will not be a great difference.

By the Master:

Q. I notice, Mr. Woods, that that variance is greater in 1906 than it was in subsequent years. I see in 1914 it was .0161 for the 21st Street plant

and .0171 for 99th Street, and in the following years they were nearer together than that, nearer together than they were in 1906 Can you explain that variance in 1906?

A. I think in 1906 one reason for it was that they were operating under a lower gas pressure at 99th Street.

Q. On a what?

A. A lower gas pressure at 99th Street, so that our capacity from our machines was not as good as it was in later years, and while we required the same amount of labor, we could not produce the same 14492 amount of gas in a given period of time.

Q. Well, what is a better illustration of the cost of labor in making gas, 21st Street or 99th Street?

A. I should say that taking insofar as our conditions were concerned, I should say the 21st Street would be a fair operating condition.

Q. Well, now, would a plant like the Astoria show an even better result?

A. No.

Q. You think 21st Street is as economically run as Astoria?

A. In the method of operation and so forth, I would say yes. 14493

Q. So that if you were to make up figures for Astoria on the same basis as you made these, it is your opinion that the figures that run through here, say, from 1914 to 1919, ranging from .0161 to .0226 for gas production labor, would not vary very much between 21st Street and the Astoria plant?

A. Not a great deal, your Honor, no.

Q. Would it be a little less for Astoria?

A. I think on actual gas production labor I would be inclined to think Astoria was a little bit higher.

Q. Why?

14494 George E. Woods, Cross.

A. Well, they are using a large quantity of coke, which requires more handling of fuel, and while there have been times that the Astoria figures are somewhat better than the 21st Street, there are other times it lapped the other way. It is not always uniform and constant, but I think the figures would be comparable and one close to the other.

Q. Well, then, your testimony is that as an engineer of manufacture you would say that the figures shown here from 1914 to 1919 fairly represent the cost of the labor going into the making of gas as
14495 shown on the 21st Street end of the statement?

A. As of those times, your Honor, yes.

By Mr. Chambers:

Q. Labor handling, Mr. Woods, what goes into labor handling?

A. Handling the materials.

Q. What do you put in?

A. What?

Q. Yes. I know handling materials, but great scott, give us something with a little definiteness?

A. I should say that the item of labor handling was the cost of discharging and delivering the coal from the barges into the coal sheds.

14496 Q. Coal from the barges?

A. Into the coal sheds, wherever it might be delivered.

Q. Is that all that you included?

A. I don't know whether—I am not sure but there may be some other small items in that. I would not like to say.

Q. Isn't the item you have just given me, handling coal from the barges in the boiler house labor?

A. Oh, no, we handle generator coal and boiler coal, etc. We have a generator handling and a boiler handling.

Q. Where in the uniform system of accounts do you find this labor handling?

A. It comes under boiler fuel, and also comes under generator fuel in a water gas plant. In a coal gas plant it would come also under coal carbonized.

Q. Which did you include, did you include boiler fuel?

A. Boiler fuel would be included in that, yes.

Q. What?

A. Boiler fuel would be included in that; also generator fuel.

Q. What else did you include in labor handling except boiler fuel and removing coal from docks? 14498

A. This amount, I think, would probably include some expense. The account kept by the uniform system of accounts probably might include some demurrage charge or something of that kind that went into labor handling.

Q. You figured that out, did you, for 1906, labor handling?

A. I say I got this from the accounts of the company which indicated those amounts.

Q. You are not an accountant, Mr. Woods?

A. I would not be qualified as a certified public accountant, no. I know the system of bookkeeping, 14499 but I would not qualify as an accountant, I don't think.

Q. Wouldn't it have been better to have had an accountant dig this out? I see you are a little uncertain as to what you included. For instance, you have already duplicated one item, I don't know whether you know it or not. For instance, you have included in labor handling, and gas production labor the same thing in both.

A. In what?

Q. Boiler fuel?

14500 George E. Woods, Cross.

A. Wouldn't boiler fuel be in gas production?

Q. I don't know, you have it in both now. That is one thing I am not going to tell you all the rest. Wouldn't have been better if an accountant had straightened this out?

A. These accounts were made up by an accountant.

Q. Who was that?

A. I would not undertake to say. I say I got this from the books of the company which indicated the operating cost, labor cost as indicated by the accounts of the company.

14501 Q. I know, but it required a good deal of accounting ability to get those from the books. Who did that for you?

A. I would not undertake to say who did it in 1906. I am not in charge of the accounting department.

Q. Whom do you hold responsible for giving you these figures?

A. Whom do I hold responsible? Why, I went down and got them. I told them I wanted to see these accounts so I could take these figures off.

Q. And did they hand you the accounts?

A. They did.

Q. And not being an accountant, isn't it possible

14502 that you got it mixed up in some way?

A. I don't think so; I think it is absolutely right.

Q. Did you submit it afterwards to see if you took it off correctly?

A. No. They had the figures and everything indicating the amounts.

Q. Did you ask him to prove your figures?

A. I did not.

Q. If you made a mistake here in duplicating, etc., your table is not of much value, if you did?

Mr. Ransom: I object to the question.

The Master: I will allow it.

A. If there is any duplication to that extent I should say the table was wrong.

Q. Not being an accountant you do not claim that you are able to have taken this off with the same ability that an accountant would?

Mr. Ransom: I object to that. He does not classify these expenditures.

The Master: I think he has answered it.

Q. Can you tell me anything else you have included in labor handling for 1906?

A. I do not recall all the items. I say these items I got from the accounts, which are brought to an 14504
amount which included these accounts, after 1906 in accordance with the uniform system of accounting.

Q. Didn't you realize when you got this up how important a part is played in this case, and were you not prepared to give us the details of your figures, or didn't you care about that?

A. If you want the details I can get them for you.

Q. We do, most assuredly, because I take it that this is your idea of what it costs to make a thousand cubic feet of gas?

A. No, this is simply a labor computation showing the range of labor from 1906 to—

Q. Isn't that an important element? 14505

A. It is an important element in the cost, yes.

Q. Now, in your residuals, what did you include in that; just labor?

A. Handling residuals in 1906 was apparently in another account; it does not show anything.

Q. Well, take 1914, handling residuals.

A. Handling residuals, that is probably nearly all labor. There may have been some—no, I should say that it was practically all labor, handling residuals.

Q. All labor?

A. That is my judgment.

14506 George E. Woods, Cross.

Q. What kind of labor did you include?

A. Just labor that is employed in the handling of that material.

Q. How did you know—you didn't keep the records at the station—how did you know what men were employed in handling residuals, as distinguished from ordinary labor handling. You see you have one labor handling and one handling residuals. How did you know what those men worked on?

A. Because I know a certain class of work in the handling of residuals is reported by the timekeeper,
14507 and is shown in the account as handling residuals.

Q. How was it kept in the books?

A. As handling residuals.

Q. And then there was a separate account for labor handling?

A. This is labor handling residuals.

Q. I mean there was another account, labor handling?

A. Labor handling residuals?

Q. I say, on the books of the company have you two accounts, labor handling and handling residuals?

A. Yes.

Q. You found two of those accounts?

14508 A. There will be two accounts there, yes.

Q. Now, in this uniform system of accounts, can you find any such heading as handling residuals or labor handling, either one?

A. It may not appear just at this point.

Q. It is safe to say it is not there, neither one of them are there, are they?

A. I have not found it at this point. I am not familiar with the uniform system of accounting. I think it would be here under the system of residual credits that might be deducted.

Q. Look it over and see.

A. I don't know just where to look for it.

Q. Before you look for that, who did most of the work on this for you?

A. It was done under my direction.

Q. Who was it; who were the men you looked to, who was the most important man in that outfit that was procuring this data for you?

A. I think two or three men were working on it.

Q. Who, for instance?

A. I think Mr. Carter, Jr., and Mr. Viebrock.

Q. Who else?

A. I think probably that covered it.

Q. Mr. Carter, Jr., is the son of Mr. Carter, the 14510
secretary?

A. Yes, sir.

Mr. Ransom: Assistant engineer of manufacture.

Mr. Chambers: Not an accountant?

Mr. Ransom: Assistant of manufacture.

Q. He was doing accountant's work for you, wasn't he?

A. It was not accounting work at all. It was simply drawing off things that the accountant had shown in our books, which we drew off as showing the amount of money expended for labor.

Q. Can you tell me anything more about handling 14511
residuals, what is included therein?

A. I could say it was the handling; it was the labor involved in the handling of residuals around the plant.

Q. I should think in handling residuals—you sold those, didn't you and got a credit for them?

A. Not always.

Q. Well, I don't see how you could possibly charge that in the cost of manufacturing gas, unless you gave a credit for the residuals.

A. We always do.

Mr. Ransom: I object to the question.

14512 George E. Woods, Cross.

Q. You always do? I mean you handled something here that you afterwards sell and make some money on—

Mr. Ransom: I object to the question. The witness's testimony yesterday shows that he did credit it, a definite item.

Mr. Chambers: The Judge does not allow me to finish.

Q. How do you explain that?

The Master: Explain what?

Mr. Chambers: Why he charges handling
14513 residuals and not giving any credit for the residuals they sell.

Mr. Ransom: He has not said anything about charges. He shows cost.

Q. Well, would you say the cost for handling residuals should be taken care of afterwards by the sale of residuals?

A. Yes; this simply shows the labor expenditures. We do not show any coal oil or return from residuals or anything else in this. This is the labor account. If we spent anything on handling residuals, the return would be that much less.

Q. Residuals are a by-product entirely?

14514 A. Yes.

Q. They don't have to handle these residuals in order to make gas?

A. Why not.

Q. Do they?

A. What are you going to do with them if you don't handle them?

Mr. Ransom: Charge more for gas.

Q. You handle them for the purpose of selling them, don't you?

A. We handle them and credit the production account with the sales.

Q. You have not given any credit here—

The Master: Objection sustained.

Mr. Ransom: It is just a trifling effort to mislead him.

The Master: It has been gone over.

Q. Now, "repair labor," what do you include in that for 1906?

The Master: And other years?

Mr. Chambers: I may want to take them one by one.

The Master: I will not allow it.

Mr. Chambers: Of course, your Honor can 14516
choke me off any time; that is your power.

The Master: Was labor repair the same during all these years?

The Witness: The same, it may be a little bit—

The Master: What do you mean by repair labor?

Mr. O'Brien: There are different conditions each year, atmospheric conditions, business conditions, every kind of condition.

The Witness: Well, I should say it would cover the accounts as included in the uniform system of accounts.

Q. What are they? 14517

A. Works and stations, structures, repair houses, generator houses, purifier houses, engine houses, boiler houses, coal and coke sheds, oil tanks and other structures for storage of fuel to be consumed or carbonized, structures for residuals and by-products, appurtenant walks, fences, driveways, et cetera, and all fixtures permanently attached—

The Master: You are just reading the uniform account directions, are you not?

The Witness: Yes.

The Master: Don't let us waste time on that.

14518 George E. Woods, Cross.

Q. Did you include all those in that item?

A. I think if work was done on those things, it would be included in that item.

Q. What other items did you include?

A. I don't know any other items.

Q. None except those you have named?

A. I have said I don't know whether there are any other items in there or not.

By the Master:

Q. Is it your testimony, Mr. Woods, that when you made up your statement, you went to the books
14519 of account, and you found an account headed "Gas Production Labor"?

A. I did.

Q. And you took the totals shown in that account?

A. I did.

Q. And you did not take the details of it and look into it?

A. I did not.

Q. Is it your statement that you found an account headed "Labor Handling"?

A. That is right.

Q. And that you took the totals of that account?

A. I did.

14520 Q. Without knowing what was in it?

A. That is right.

Q. Assuming that it meant labor handling?

A. That is right.

Q. And do you testify that you found an account entitled "Handling of Residuals"?

A. Right.

Q. And did you find an account headed "Repair Labor"?

A. That is right.

Q. And you found an account headed "Works Expense"?

A. That is right.

Q. And you found an account headed "Gas Storage Manufacture"?

A. That is right.

Q. And an account "Gas Storage Distribution"?

A. That is right.

Q. And without analyzing those figures at all you took the totals that you found in those accounts?

A. Yes.

Q. And figured it against the gas made?

A. I did, against the make.

Q. Did you figure these percentages? 14522

A. I checked up many of them.

Q. And you don't know anything about what is contained in these various accounts, do you?

A. Except from the accounts of the company.

Q. The questions asked of you by Mr. Chambers called really for no information which you have had?

A. I have tried to state that to the best of my belief they were kept in accordance with the uniform system of accounts.

Q. You don't even know that, do you?

A. No.

Q. You are only assuming that?

A. That is right. 14523

Q. In other words you do not know the first thing about it except that you assume the account headed "Gas Production Labor" included the labor used in gas production?

A. That is right.

Mr. Chambers: I move to strike out Exhibit 352.

The Master: No, I am going to leave it in for what it is worth. I do not know that it is worth very much.

Mr. Ransom: These accounts are kept under his direction in the works.

14524 George E. Woods, Cross.

Mr. Chambers: Do you now expect us to match up this gas production labor account? You expect us to produce figures on that, do you not?

The Master: You know what is in the books.

Mr. Chambers: You cannot find it that way. You cannot tell what is in that item from the books. There is no such account.

The Master: Is the examination I have made satisfactory to you?

Mr. Chambers: Yes.

14525 The Master: Has it brought out what you wanted?

Mr. Chambers: Exactly.

The Master: The motion is denied.

Mr. O'Brien: I would move to strike out the exhibit on the ground that the witness has stated that they come from the books; the books were improperly admitted in evidence; on the further ground that he has stated that Mr. Carter, Jr., and Mr. Viebrock were the men who got up these accounts and turned them over to him; that he does not personally know they are correct; on the further ground that the percentages he did not

14526 make entirely, he only says he made a few of them. I take an exception.

The Master: I do not think, Mr. Ransom, Exhibit 352 carries very much weight with it in the light of this witness's testimony.

Mr. Ransom: There is one phase of the matter that has not been dwelt upon at all, and that is while it is true the accountants keep the books in accordance with these different requirements of the uniform system of accounts, the accounts in the works, in the various departments under the engineer of manufacture and the chief engineer

and the acting engineer, all of those accounts and records are kept under the direction of this witness and they come from his department to the accounting department. So that while it is true he does not know about the books in the sense of not having made the entries in the books, yet the various accounts showing labor and these various matters—the keeping of those records comes continuously under his direction. They are certified by his subordinates, they are passed on by him, they are checked by him continuously all the time. So that the question of what there 14528
is on the books is only one side of the matter.

The Master: You better get some other witness to testify to these figures in this tabulation if you expect me to use this.

Mr. Ransom: Of course, I will be perfectly frank, I believe, and have never changed my belief, that it is of probative value as showing the outlay of this company, appearing to be reasonable and justified, in the regular course of its business, as it has been proved. The translating of them into terms of cents per thousand feet shows just their bearing on our whole problem in the terms of the statute. A tabulation like this 14529
is, of course, neither better nor worse than the books. It only shows the relation of it to cents per thousand cubic feet.

The Master: The next question.

By Mr. Chambers:

Q. I ask you to get Exhibit No. 353, Mr. Woods. Have you that exhibit?

The Master: What was that, Mr. Chambers?

Mr. Ransom: I have it here. Here it is (handing to witness).

Q. Have you Exhibit 353 for identification now?

A. Yes.

14530

Mr. Ransom: No, it is Exhibit 353 in evidence.

Mr. Chambers: That was not allowed in yet.

Q. Generator fuel, water gas cost; you mean, do you, by this that you used 32.50 pounds per thousand; to make a thousand cubic feet of gas you used so much?

A. That is right.

Q. You had in mind a hypothetical situation, did you? Was it hypothetical?

A. These are average operating conditions under
14531 which we used 32 1/2 pounds. Under the conditions we are operating under here, with the material we have on hand, an average figure under these conditions will be 32 1/2 pounds of anthracite coal.

By the Master:

Q. That I understand, Mr. Woods, is a statement of fact by you based upon an observation running over many years?

A. That is, yes.

Q. And watching the manufacture of gas?

A. It is what is in the manufacture of gas.

Q. I say watching it?

A. Watching it; that is right.

14532 Q. You know from day to day you have got to figure on 32 1/2 pounds for a thousand cubic feet of gas?

A. That is right.

By Mr. Chambers:

Q. It depends on the kind of a generator you have in mind, does it not?

A. Upon the kind of generators that are in use. A modern generator, as I have in mind.

Q. What type did you have in mind?

A. The type of generator? The type used by the Consolidated Gas Company.

Q. What type is that?

A. The low improved three-shell water gas sets.

Q. You had that in mind?

A. Yes.

Q. That is the generator you used?

A. That is the generator which we are using.

Q. I mean that you used as the basis of this figure?

A. We used as the basis of that figure, yes.

Q. What kind of condition did you assume it was in: first-class?

A. In good operating condition, as we keep our machines. 14534

Q. You based it on the way you keep your machines?

The Master: Good operating condition, he said.

Q. What capacity generator was it?

A. It would not make much difference whether they were making two million or two and a quarter or three million, depending on the size of the machine; with good operating condition, the result would be the same.

Q. What plant did you have in mind?

A. I had the general situation in mind as to what all these plants would do under good operating conditions. 14535

Q. Including Astoria?

A. Including the Astoria plant.

Q. That is a pretty high price for coal, is it not, $8.26?

The Master: I do not care about this price for coal.

Q. Why did you take $8.26?

A. Because that is what we are paying for coal on the market as of today.

The Master: You need not waste any time on that, Mr. Chambers. I do not take Mr. Woods'

testimony as to what is being paid for coal, because that is not within his province. His testimony is valuable to me as an expert when he says it takes so much coal to make a thousand cubic feet of gas. I will reach a conclusion when I come to decide this case, first, whether in my judgment it takes more or less than that, or that amount, to make ordinarily a thousand cubic feet of gas; then I am going to take what I think is a fair, reasonable figure, that in all likelihood, in the light of the testimony, is the price that will
14537 have to be paid for coal. I will do this figuring myself.

Mr. Chambers: Suppose I were to ask you how many miles you can get on a gallon of gas with a Hudson car?

The Master: Well, I probably can get 16 miles out of a gallon.

Mr. Chambers: And they get 8 to 16.

The Master: I can probably get 16, and I can probably get 22 or 23 out of a Ford. I can get six or seven out of a Pierce Arrow.

Mr. Chambers: It depends on who is running it.

14538 Q. Take the present time, how much coal does the Standard use in its generators?

A. I should say it would be around that amount.

Q. Do you know?

A. It will vary from time to time, you understand. We do not get 32 1/2 pounds every day.

Q. How low does that go?

A. It might go down to 31, 31 1/2; it might go up to 34 or 34 1/2.

Q. To strike an average how long a period did you take into consideration?

A. Covering a year's operation.

Q. You mean you took 1919 and averaged it up?

14539

A. With the grade of coal we had, it would not make any difference with 1919 or 1926; under the conditions we are operating under, with the grade of coal, it will be 32 1/2 pounds.

Q. What plants in the city did you use in averaging it? A. I know from my experience with all the plants, and my judgment.

Q. How many plants? Did you take the Standard?

A. I covered all the plants.

Q. Everybody's plant in the city?

A. Yes.

14540

Q. And you sat down and took the figures of all the plants and figured out what you thought was a fair average?

Mr. Ransom: I object, he did not say anything of the sort.

The Master: This is pure opinion evidence.

Mr. Ransom: Based on facts.

The Master: Based upon this gentleman's experience.

Mr. Chambers: Based on what?

Mr. Ransom: Based on facts.

The Master: Upon his actual experience?

Q. Now, what facts, Mr. Woods? Give us all the facts.

14541

The Master: Just as I gave my opinion based on my experience with automobiles and what they will do.

Q. Give me all the facts. Your counsel says it is based on the facts?

A. On the facts that I have been familiar with for many years as to the operation of the plant in connection with the use of generator fuel and for boiler purposes, that I know from my own experience that 32 1/2 pounds of coal per thousand cubic feet is a fair operating average.

14542 George E. Woods, Cross.

Q. Well, don't you do better than that?

A. We do better and we do worse. I say, taking it as a whole the average under good conditions will be 32 1/2 pounds.

Q. Do you know the average for any company for any plant for any year?

A. I knew the average for all of them. I do not carry them in my head.

Mr. O'Brien: You do not carry them in your head?

The Witness: No.

14543 Mr. O'Brien: Where do you carry them?

The Master: Mr. O'Brien, please don't interrupt.

Mr. O'Brien: That is startling, your Honor.

Q. Let us have the average?

Mr. O'Brien: The chief engineer of manufacture, holding down all these companies and handling the destinies of these companies, says he can't tell you that. It discredits his whole testimony.

Q. Give us the average for any company for any year and any plant?

A. I would not undertake to give the average
14544 of any, because we are operating a number of plants, and why I should try to segregate one particular plant as against the other, as to just what the average was, as to whether it was 31.98 or 33.10, whatever the figure might have been, I would not undertake to tell you. It is a matter of record, and I can get those figures for you, but I won't try to give them from memory. You might ask me the details of all these companies. What do you think I am, a sort of walking encyclopedia, that I could carry all these things?

Q. I thought you were the man of all men, according to what your counsel says?

Mr. O'Brien: You are supposed to be a wizard.

Q. You can't give the details of any company, or any plant of any company, where an actual average has been struck for a period of a year?

The Master: Objection sustained. Fully covered.

Q. Time would not have anything to do with that figure, would it? I mean time would not matter, whether it was 1914, or 1919, except as to the price per ton of coal?

A. And probably the grade of coal would have some bearing on it. 14546

Q. Oh, it depends then—what grade of coal did you have in mind then in these ideal pounds per ton?

A. A grade of coal such as is being sold on the market as of today.

Q. The anthracite that is coming in now?

A. Yes.

Q. What mine, mined where? From where?

A. From a Pennsylvania anthracite field, might be a number of mines.

Q. Do you mean the Pennsylvania fields?

A. Pennsylvania anthracite coal.

Q. The Scranton?

A. Scranton or Lehigh, Wilkes-Barre. 14547

Q. Whose coal did you have in mind, Delaware & Hudson?

A. No, I had—

Q. (Interrupting.) Or Ontario & Western?

A. I had the average grade of coal that was coming to the City of New York, that we were using.

Q. Well, all kinds come in here?

A. Sure, all kinds come in, a good many kinds of broken coal.

Q. Well, you had in mind anthracite from the Pennsylvania coal regions?

14548 George E. Woods, Cross.

A. Anthracite, broken coal.

Q. From the Scranton district?

A. From the Scranton or the Lehigh district, wherever it might be.

Q. Is that a good grade of coal that is coming in now?

A. We have had better.

Q. Well, I know, but you based this on what, a good grade?

A. I should say yes, it is. The grade of coal which we are now receiving. It is averaged on the average
14549 grades of coal that we are getting. We have had better coal.

Q. For instance, yesterday, how many pounds did it take a thousand feet in your 21st Street plant?

A. I don't know. I did not see yesterday's figures.

Q. The day before?

A. I would not undertake to say.

Q. Last week any time?

A. I told you, Mr. Chambers, I would not undertake to carry those things in my head, because what I would give you might be misleading.

Q. You could not give me on October 15th?

A. I certainly could not. I would not undertake to.

14550 Q. So it depends on the quality of the coal a good deal?

A. Naturally that has something to do with it, and that is the reason it varies from time to time. Operating conditions change from time to time, and there is no plant that would operate with 32 1/2 pounds of coal day in and day out.

Q. And for that you figure 11.98 cents?

A. Yes, based on the present price of coal.

Q. Why didn't you figure out what it actually cost up at one of these plants, say at the 21st Street plant, of how many pounds they used per thousand, averaging for a year; why didn't you do that?

Mr. Ransom: I object to the question. This witness under the Master's ruling was not permitted to do that, or prove what it actually cost at these different plants.

Mr. O'Brien: I think you are misrepresenting the Master.

Mr. Chambers: I do not think the Master said that. If the Master did that—

Mr. Ransom (interrupting): We have that proved in detail by Exhibit No. 205, what it costs at each of those plants.

Mr. Chambers: There you go. Now, I said 14552
heretofore that he would claim that they had some proof in by reason of all these papers.

Mr. Ransom: We have.

Mr. Chambers: You haven't yet anything in that is of any importance.

Mr. Ransom: We have proof on it, and I would go to the Supreme Court of the United States on that proof today.

Mr. O'Brien: This case is in swaddling clothes yet, still on the bottle, Mr. Ransom.

Q. Well, why didn't you take 1918 or 1917, or 1916, at the 21st Street plant and tell us how many pounds—an average of how many pounds per thou- 14553
sand you used to make—how many pounds of coal you used to make a thousand cubic feet of gas, instead of this ideal figure?

Mr. Ransom: I object to that.

The Master: Well, the trouble with that is that he can only get that from the books, and then we would have the same situation precisely as we have had before.

Mr. Chambers: Then I take it that they are trying to prove their case and say we can't get at the actual conditions, is that it?

14554 George E. Woods, Cross.

Mr. Ransom: We want you to get them.

The Master: I don't know whether I can say that. If this witness were to do the thing you ask him to do, he would be doing precisely the same thing as he did on the question of labor cost, and we would have the same situation that he would be taking entries from the books, that is all, and I would much rather take his statement as an expert based over a long period of years of actual operation that he states as a fact that a plant of this kind operated economically took so much
14555 coal. If your experts dispute that, all right.

Mr. Chambers: With all due respect to your Honor, the trouble is that it is not susceptible of an opinion of an expert.

The Master: Oh, yes, it is.

Mr. Ransom: Let me make this statement. These defendants here are the public authorities of this state, and every year since the Commission was created there has been ascertained and reported just how much coal, just how much oil, just how much labor it has cost each company in the City of New York to make, produce and distribute gas. Now, if these figures are wrong, if
14556 these figures are high—the defendants know they are low—but if these figures are high these public authorities have the means of proving it.

Mr. O'Brien: Your Honor, what they are producing here is just a weak proposition and they are trying to put a porous plaster on it to give it some strength in the shape of opinion evidence, and the great difficulty is that they have a witness playing a dual part.

The Master: Just the kind of witness I want.

Mr. O'Brien: Your Honor, they have got a man who is swearing to certain concrete facts,

and in the same breath is trying to pose as an expert witness.

The Master: All right.

Mr. O'Brien: Now, that has never been, so far as I know, attempted in a rate case before.

The Master: This is the situation as I see it: The books of account of this company will say now, as set forth in Exhibit 355 for identification, will show a certain amount of coal purchased and paid for during the year, as against a certain make of gas. Now, I can figure that just as easily as Mr. Woods can, and tell you 14558
what that averages per thousand cubic feet. That may not at all reflect the exact amount that is necessary, there may be a tremendous waste and stealing and loss there, and in support of that I want to know from some man like Mr. Woods, what he will swear as an expert it does take to make a thousand cubic feet of gas. Now, if his figures, if he testifies to them as an expert, irrespective of the books of account, tally with the books of account substantially, then I am willing to take the books of account as being absolutely correct in that respect. That is what I am trying to do. But as I said in the outset, when I make a 14559
finding as to what it costs to produce gas here, I want to make it under circumstances that will not leave the shadow of doubt as to just what it costs.

Mr. O'Brien: Well, that, to use an expression of the Appellate Division, applied to Judge Ransom in a case a few days ago, is "a short circuit method of trying to prove a case," and it will never do, and the higher courts will never approve of it, to put in books of account that are not properly supported, where the underlying evidence is not in, and then to say we will put on a

14560 . George E. Woods, Cross.

witness to say how many pounds of generator fuel it will need.

The Master: Next question.

Mr. O'Brien: We are dealing with the past, your Honor. We are dealing with concrete facts as to the past years.

Mr. Chambers: If they are allowed to prove this by expert testimony, I do not see why you need any books at all.

The Master: I want to get at it from every possible angle.

14561 Mr. O'Brien: Doesn't it boil down to this, that you hand the witness a summons and complaint, and say, "Mr. Woods, read over the several allegations there. Have you read them? A. Yes. Q. You have been in the gas business a long time working for the Consolidated Gas Company and their several plants? A. Yes. Q. Do you believe that to be true, and isn't that in conformity with your best judgment? A. Yes. Judgment for the plaintiff in this case with a permanent injunction." That is practically, boiled down, what this means up to date.

The Master: Next question.

14562 By Mr. Chambers:

Q. Now, the boiler fuel, you mean 2.50 pounds is the fuel that you use to fire the boilers?

A. No.

Q. What do you mean by that: what is that?

A. I mean that it requires 14 pounds of boiler fuel for the boilers: to 2 1/2 pounds at one price, you add 11.50 pounds at another, and that part of the coal purchased for generator use, which becomes unfit for generator use as a result of handling is used under the boilers.

Q. You mean it is used to fire the boilers, as I said a minute ago?

A. Yes, sir.

Q. To build fires with?

A. That is right, but it requires 14 pounds, and not 21 2 pounds.

Q. Oh, I see; you mean those two taken together, 2.50 and 11.50?

A. Yes.

Q. Why that variance in price?

A. Because one is a regular boiler fuel, for which we pay $5.12 a ton; the other is a generator fuel, the anthracite broken, which is costing us $8.26. That is what we pay for the coal, so when we use it under the boilers it must be charged to the boiler account at the price at which we pay for it. 14564

Q. Well, why does that get in such a condition that you cannot use it in the generators?

A. Because it is small, and if you used that coal in the generator, it would reflect very materially on your operations.

Q. You mean it is too much broken up?

A. Broken up; the fine stuff; the fire conditions would become bad.

Q. And that happens by what, handling? 14565

A. Handling, yes.

Q. Well, if it was carefully handled, you would not have that, would you?

A. Carefully handled?

Q. Do all plants have that?

A. Absolutely.

Q. Every plant?

A. Every plant.

Q. In the City of New York?

A. In the City of New York and every other plant.

Q. At that ratio?

By the Master:

Q. In other words, you shovel coal, you do not pick up one piece at a time.

A. We shovel it and dig it out of the boats.

Q. You do not handle each piece separately?

A. No, and we do not wrap it in paper.

Q. You might not break as much if you picked it up one piece at a time?

A. You might not, your Honor.

By Mr. Chambers:

Q. Each plant has 2.50 pounds of the high priced
14567 coal that you have to use in the boilers?

A. Yes, sir.

Q. Would not that vary?

A. Yes; that would be an average. I say it might run to three and a quarter or two and a quarter, or three and one-half.

Q. Over an average of what period of time?

A. Over an extended period.

Q. How much did you take, for what period?

A. I based this on the entire period covering a year's operation; the opinion is based on a year's operation.

Q. A year's operation?

14568 A. Yes, to cover the climatic conditions and those things.

Q. Then you did base it on a year?

A. Absolutely.

Q. The time would not have anything to do with that, I mean whether it was 1914 or 1918?

A. No, except as to the character of fuel. That might have some bearing on it. If you got a very good fuel, or a very poor fuel, the results might change.

Q. Where did you get that boiler fuel, from the Pennsylvania coal region?

14569

A. Yes, it is an anthracite, No. 2. buckwheat.

Q. And that depends on—how many pounds you use per thousand cubic feet depends on its quality?

A. To some extent, naturally, yes.

Q. That 2.50 pounds per thousand cubic feet must be always good coal, isn't it?

A. It is a better coal, but a lot of fine stuff in it, very fine, so with that 2 1/2 pounds it would require about 14 pounds of boiler fuel.

Q. Well, fine coal is good for boiler fuel, is it?

A. Fine coal?

Q. Yes. 14570

A. Fine bituminous coal is very good; very fine anthracite is extremely bad. You could not use it by itself if it is extremely fine.

Q. You do not believe then in buckwheat coal?

A. We do use buckwheat coal. We would not call that fine. That is a buckwheat, but if you get down to the prices—

Q. Oh, this is dust, you mean?

A. Much of it is a fine dust mixed with screenings, we call them screenings, which is half of it practically about No. 1 buckwheat, and we call it a fine coal, as the result of this breakage.

Q. You mean you let the coal company sell you 14571 this dust for $8.26 a ton to you?

A. No, the coal is screened, and so forth, but it is brought in cars and dumped in a boat, and we take a digger and dig it out and shove it up above, and put it in a hopper and drop it in conveyors and put it on to the coal pile, and all that handling means breakage, and the result is this dust. As I said before, if we should start from the mine and carry it by hand, we would not have that breakage.

Q. That is an enormous quantity, isn't it, 2.50 pounds to every 32.50 pounds? Do you mean you

14572 George E. Woods, Cross.

get 2.50 pounds of that dust every time you get 32.50 pounds of the other?

A. That is right; about seven per cent. Approximately seven per cent is breakage.

Q. Now, labor handling, what do you include in that?

A. The handling of the coal for the boilers, and the boiler house and generator house.

Q. What period of time did you have in mind there?

A. That was an average condition covering a year,
14573 the same as the other things.

Q. Now—your figure given as coal labor is very high, isn't it?

A. I would not call it high. It is what we are paying and probably will continue to pay. It is the condition under which we are operating as of today.

Q. According to the tables that has gone up?

A. We all know that, and you know that as well as I do.

Q. Well, you took labor at the highest figures?

A. I took labor at the prices we are paying.

Q. At the present time?

A. At the prices we are paying as of today.

14574 Q. And those are very much higher than they were in 1912, say?

A. They are.

Q. According to your table?

A. Absolutely.

Q. How many men do you figure in labor handling, how many men handling that coal?

A. How many men handling?

Q. Yes.

A. I don't know; enough to make that labor handling covering that three-quarters of a cent.

Q. How many was it, to make that thousand cubic feet?

A. Well, I could probably tell you if you want the details. I do not know whether I have it or not (examining papers). The figure that I used in—this, you understand now you asked me how many I handled. The data was based on some sort of a proposition as we talked yesterday. You said yesterday, you asked me how many men it took to make a thousand cubic feet of gas, if you recall, your Honor. Now—

Mr. O'Brien: Well, you are volunteering something now, are you?

Q. What I want to know is, what you include in 14576
labor handling?

The Master: How did you get that figure?

The Witness: I took the number of men—I had to base that, your Honor, on a plant of some capacity, with the amount of material that they required during the day and the number of men it would take to handle that material, and reduce that—

Q. What plant did you take?

A. I took a plant assuming an operation of 10,000,000 cubic feet a day, which did not mean any plant.

Q. Yes. 14577

A. I simply said a hypothetical 10,000,000 feet, if we were making 10,000,000 feet every day, the result would be this, so far as labor was concerned. Materials would not vary much. If on that same plant we were making seven and one-half or eight million feet, your labor will go up; if you should run to 13 or 14 million feet, your labor will go down; for instance, labor handling, sometimes, as the result of this may be 85 or 90, instead of 75, and it might go down to 60, and an average of 75, your gas making labor might average 2 1/2 cents, or it

might go up to three cents or down to 2 1/4 cents; but taking the average condition, you understand there are a lot of fixed charges that continue along when you are operating, many of the charges are the same at ten million as they would be at fifteen million, and the same as they would be at five million, so you have got to get this average condition covering a long period of time, covering the four seasons, at any rate, to arrive at a figure covering this range of variations. Of course, if you were operating ten million feet day in and day out with the same kind
14579 of material, your labor conditions would be approximately the same every day.

By the Master:

Q. Well, let me ask you, Mr. Woods, what is the capacity of the 21st Street plant?

A. 21st Street plant, 28 1/2 million cubic feet.

Q. A day?

A. Yes.

Q. 28 1/2 million cubic feet a day?

A. That is right.

Q. Now, to operate, you require a certain number of men, don't you?

A. We do.

14580 Q. And you require them every day?

A. Right.

Q. Would you say that to make this 28,000,000 cubic feet a day, you would need as many as 131 men in the actual capacity of the gas produced in the plant?

A. Probably not more than that, your Honor. That is—as of what date are you reading?

Q. September, 1919.

A. We would probably use more than that, because we are not making 28 1/2 million cubic feet.

Q. Well, then, do I understand your testimony to be, based upon your experience in operating a plant

of that capacity, to produce 28 1/2 million cubic feet a day, you need more than 131 men working in the gas production end of it every day?

A. You would.

Q. No question about it?

A. No doubt about it.

Q. That is based upon your actual experience?

A. Absolutely.

Q. Would you say that—

Mr. O'Brien: Wasn't that for two plants?

The Master: No; oh, yes, that is 21st and 99th Street. 14582

Mr. O'Brien: You see, that is the great trouble with that exhibit. If they had one sheet for each plant, if they would only separate that, we could take the—

The Master: They only have about 34 men working at 99th Street today.

Mr. O'Brien: Yes. Mr. Woods—

Q. (Interrupting.) What is the combined capacity of 21st Street and 99th Street?

A. The combined capacity would be 28 1/2 and 55—34 million.

Q. 34,000,000 cubic feet?

A. Yes. 14583

Q. Well, then, is it your testimony that for the two plants to produce 34,000,000, you would need more than 31 men a day, in the actual gas production?

A. That is right.

Q. Am I to understand that your statement is that 131 men in the actual work of producing the gas aggregating 34,000,000 cubic feet a day is a low figure?

A. 131 would be low. You could not make it with 131 men.

14584 George E. Woods, Cross.

By the Master:

Q. These men who actually work in the gas production that you are talking about now, are the men who do what; fire the boilers and attend to the machinery?

A. They fire boilers. On that high make you have to have more boilers, which requires more firing.

Q. I want to get an idea of what the gas producers do.

A. That covers the bringing of the coal to the generators, and the high make requires more—

14585 Q. What do the men do that make the gas?

A. The men firing the boilers, the men that make the gas, the men we call coal makers or runners, or the men for cleaning the fires, then we have the engineers for running the blowers and exhausters.

Mr. O'Brien: Your Honor, would that include the men cleaning up the laboratory at 99th Street?

The Master: Just wait—

Mr. O'Brien: This is good stuff you are getting now, if you will only include it all.

A. (Continued.) And the handling of the coal. In the gas production, in addition to that is included

14586 the superintendents' time and the clerks' time, that is included in the gas production account.

Q. I am not talking about that; I am talking about laborers, leaving aside superintendents and clerks, how many laborers will you have to have; I mean your firemen and your engineers and your runners and the rest of them, leaving aside superintendents and clerks. You would need 131 men to produce—

A. You would need more than that.

Q. How many will you need?

A. I would not like to make an estimate, because I do not know just how gas is being made right here on this account—

Q. Take a production of 34,000,000 cubic feet of gas, and you are the chief engineer, and the board of directors ask you how many men you have got to have to operate that plant, how many men would you tell the board of directors you had to have in order to produce 34,000,000 cubic feet of gas a day?

A. I would not answer that by men at all. I would say that the manufacturing labor would cost 2 1/2 cents per thousand cubic feet under present conditions.

Mr. O'Brien: I want to say here that if your examination is to be considered direct-examination, I am registering the customary objections to it. I only acquiesced in Mr. Chambers asking these questions on cross-examination. 14588

The Master: You have changed your mind. You thought a few minutes ago I was getting "good stuff."

Mr. O'Brien: If it is not cross-examination.

Q. What I am trying to get at, Mr. Woods, is this: I am a director, and I am one of these directors who likes to know things, and you tell me that it will cost you 2 1/2 cents a thousand cubic feet for labor, and I wish to know how many men you need to produce 34,000,000 cubic feet a day. Can you tell me that? 14589

A. Yes, I would give you an approximation.

Q. What would you tell me; I want to know how many men you will need to make the gas, not the handling of material, or the repair labor or anything else, but just to make the gas?

A. 175 men.

Mr. O'Brien: Here is the objectionable feature of this now, that we are getting from the witness—he is not talking about what took place under him, we are asking him to give us an

expert opinion as to something ideal that might be carried on. That will lead directly to the query: "Why didn't you do it this way when you did it, if the actual concrete expenses were less than the theoretical?"

The Master: We won't worry about that. I am trying to find out how many men it takes to produce 34,000,000 cubic feet of gas per day in his best judgment.

Mr. O'Brien: He is in Utopia now, when he goes to answer the question.

14591 The Master: Not at all. He is not in Utopia. He has operated gas companies for twenty years, he knows how many men it takes to produce certain results. You say 175?

The Witness: 175 men.

Q. For the full capacity?

A. For the full capacity for gas production.

Q. In addition to that would you need any additional labor for repair work around the plant?

A. You would.

Q. In the same plant that is producing 34,000,000 cubic feet?

A. Yes.

14592 Q. How many men would you need for repair work per day in that same plant that I am talking about, producing 34,000,000 cubic feet.

Mr. O'Brien: Your Honor is assuming a plant in New York City at the present time?

The Master: Yes.

Mr. O'Brien: And with how many consumers?

The Master: I don't know; I am asking about a make; I am not asking about repair work around the works.

Mr. O'Brien: That is the trouble; you cannot get an expert opinion without all the factors.

 14593

Mr. Ransom: The number of consumers makes no difference in the amount of repair work around the plant.

Q. How many men do you feel you would have to have around the works?

A. I should say 100 men.

Q. Then would you say that 62 men, which, according to this Exhibit No. 351, are now on repair work at the 21st and 91st Street water gas plants, is a modest figure?

Mr. Clark: I object on the ground that the plants do not make 34,000,000 cubic feet a day. 14594
That is their capacity; they do not make nearly that.

The Master: I know they don't.

Mr. Clark: That would make a great difference in the number.

The Master: I was going to follow it up.

Mr. O'Brien: I think this is going to lead us into terrible confusion, and I register my strenuous objection.

The Master: Your strenuous objection is noted.

Mr. O'Brien: The question is whether the testimony is binding upon the defendants here, 14595
when given in answer to your Honor's questions interjected during the course of cross-examination. I submit that the witness has been asked here about some ideal plant that is running at full capacity every day, and that never takes place in actual life, and his conclusion as to a large number of men is so far away from the actual experience of the plant at 99th Street and 21st Street, with a maximum capacity equal to your Honor's assumption, that the testimony of the witness would be valueless, even if it were

14596 George E. Woods, Cross.

admissible. Your Honor rules against me, and I note an exception.

Q. These 62 men now being employed daily at the 21st Street and 99th Street plants are being used to produce less than the full capacity?

A. That is right.

Q. About how much are they producing a day now?

A. As of that time?

Q. This was about September 20th, you said?

A. Yes. I should say fifty per cent.

14597 Q. Of the total capacity?

A. Yes.

Q. This same plant, with a capacity of 34,000,000 cubic feet a day, would need, in addition to the gas production men and labor repair men, some men to handle material?

A. They would.

Q. And about how many men would they need for that?

A. I would say about fifty men, your Honor.

Q. In addition to the gas production men and the labor men and the men who handle the material, would you still have to have other men for indexers

14598 and miscellaneous labor and watchmen and things of that sort?

A. We would.

Q. About how many men would you say this 34,000,000 capacity plant would need of that character?

A. I do not think it would be very much different from that.

Q. Well, how many?

Mr. O'Brien: You mean difference between what and what?

The Master: If Mr. O'Brien will please not interrupt, I will find out quick enough what he means.

Mr. O'Brien: All right, your Honor.

The Master: I can ask a question and get an answer when I want it.

A. Between indexers and watchmen and so forth, as of September, there would be no difference.

Q. About 62 were employed here in September among the miscellaneous labor?

A. Yes.

Q. You say 20 or 21 men would handle the same 14600
labor?

A. That is right.

Q. Whatever the conditions may be with reference to the operation of the plant, or whether the machinery is old or new, you will need a certain number of gas producers?

A. That is right.

Q. And repair men?

A. Right.

Q. And material handling men?

A. Right.

Q. And miscellaneous men like watchmen?

A. Right. 14601

Q. It is simply a question of how many you need?

A. Right.

Q. But the men must be there?

A. Right.

Q. You could not run the plant without them?

A. Right.

Mr. O'Brien: Will your Honor direct in conjunction with the manufacturing books, that they bring down the time books and the underlying data?

14602 George E. Woods, Cross.

The Master: No; the manufacturing books are all I will order just now. I may order some of the others for some short period if I see that it is necessary, but just now only the manufacturing books.

Adjourned to Monday, October 20, 1919, at two o'clock P. M.

Last Complainant's Exhibit No. 358.
Last Defendants' Exhibit MM.

14603

14604

CONSOLIDATED GAS COMPANY OF NEW YORK vs. NEWTOWN, ETC., *et al.* 14605

Before ABRAHAM S. GILBERT, Special Master.

NEW YORK, October 20, 1919.

Met pursuant to adjournment.

Present: MR. RANSOM, MR. VILAS and MR. GOETZ, of Counsel for Complainant.
MR. CHAMBERS, of Counsel for defendant Newtown.
MR HAYWARD, MR. CLARK and MR. NEUMANN, of Counsel for Public Service Commission. 14606
MR. O'BRIEN, of Counsel for defendant Swann.

GEORGE E. WOODS resumed the stand.

CROSS-EXAMINATION CONTINUED BY MR. CHAMBERS:

Q. The boiler fuel, anthracite, what did you say you used that for, Mr. Woods, on Exhibit 353?

The Master: Let me see a copy of that Exhibit 353, will you, Mr. Ransom? Is that water gas cost or coal gas cost? 14607

Mr. Chambers: That is water gas cost.

The Master: What is your question now, boiler fuel, anthracite?

Q. Yes, 11.50 pounds. This you said you used for fuel?

A. Fuel for boilers, yes.

Q. How much you use of that per thousand cubic feet of gas depends also upon the quality?

A. Somewhat, yes, sir.

Q. Of the boiler fuel?

A. Depends on the quality of the fuel, yes, sir.

Q. And it comes from the mines with different qualities, some is better than others?

A. Yes, sir.

Q. And what did you have in mind, Pennsylvania boiler fuel?

A. No, I had Pennsylvania anthracite fuel.

Q. In mind?

A. What?

Q. In mind?

A. Yes.

Q. Of what standard, or didn't you have a stand-
14609 ard?

A. No. 2 buck, the quality we are receiving at the present time.

Q. The quality you are receiving at the present time, isn't near so good as the quality you received, say three years ago, is it?

A. That is right, it runs higher in ash now than it did.

Q. Higher in ash? A. Yes, sir. Probably the quality we will continue to get.

Q. Why do you say that?

A. Because the character of coal seems to have changed somewhat, and we do not seem to be getting
14610 back to the character of coal we had four or five years ago.

Q. Isn't that because they are anxious to ship coal on the market and give you almost anything that comes along?

A. It is the character of coal we are receiving. Why we are getting it is, probably the mine may change from time to time.

Q. But you haven't any right to predict, have you, that that will continue?

A. I have a right to predict as to what we are receiving, and I have no reason for believing there is going to be any material change.

Q. Well, what do you base that on?

A. Well, I cannot prophesy as to whether it is going to be better or worse. It has gradually become worse.

Q. You prophesied a minute ago it is going to continue in the same poor grade it is now.

A. That is my judgment.

Q. It is your judgment, but you haven't anything to base it on, anything tangible, have you?

Mr. Ransom: I object to that.

The Master: I will allow it.

A. Except that the coals we are receiving now, 14612
barring broken coal, of whatever quality they may be, run higher in ash than they did years ago.

Q. That is all you know about it?

A. Yes, sir; probably due to the character of coal they are mining.

Q. No doubt of it?

A. No doubt of it.

Q. You would not get that kind of coal if that was not the kind of coal they are mining?

A. That is a fact, or the veins are probably changing, and how long that will continue, it may be that four or five or ten years hence, it may be better or worse. 14613

Q. You don't know whether it is evidence of the vein changing, or whether they are mining some coal that they may have passed up heretofore, do you?

A. That may be. I cannot say.

Q. They may be cleaning up some old, poor stuff; do you know?

A. I know the quality of coal we are receiving—

Q. Yes.

A. And have received for some time, and I have no reason to believe there is going to be any change.

Q. Have you visited the mines?

A. Not recently, no.

Q. It is your idea that they would require—a company would require 11.50 pounds to make a thousand cubic feet of gas, of that kind of coal?

A. I said it would require fourteen pounds.

Q. Fourteen pounds in all?

A. That is right.

Q. How many pounds would they require if the quality was like it was in 1915?

A. It would depend upon what the quality was at that time. It may have been a little better, or it may
14615 have been worse.

Q. Well, do you know how much was required?

A. The figures that I have based it on are the conditions under which we are operating as of today.

Q. I mean under the conditions of two or three years ago, how many pounds would it require?

A. I would not undertake to say what, of three or four years ago, because things have changed, and why should I make a calculation on three or four or five years ago, which hasn't any bearing on our present operating conditions.

Q. It would be less if the quality was like it was two or three years ago?

14616 A. If the quality was better, it would be less; if the quality was worse, it would be more.

Q. It would require a less number of pounds per generator?

A. If the quality were better than of the present time, yes.

By the Master:

Q. Have you any idea how much better the coal was two or three years ago, proportionately, as to the amount of boiler fuel you would need?

A. I think as of the present time the boiler coal is probably running four or five per cent more in ash than three or four years ago.

Q. That would make what difference in quantity of coal you need per thousand cubic feet?

A. Perhaps a pound.

Q. So that instead of fourteen pounds, you think that under conditions as they existed two or three years ago, it might require thirteen pounds?

A. If the character of the coal improved, your Honor, the result would change. This is based on what we are getting as of today.

Q. Well, I am trying to get your judgment as to what difference 5 per cent of ash would make.

A. I should say 5 per cent of ash, other things being equal, it would probably be a pound. 14618

Q. That would make it 13 instead of 14 pounds?

A. That is right.

By Mr. Chambers:

Q. How about generator coal?

A. Well, the same condition would apply, if the character of the coal improved, those results would improve; if it got worse, that condition would be worse.

Q. Do you mean by that instead of 32.50 pounds it would be 31.50, say?

Q. It would be, possibly, with a better grade of coal, yes. 14619

Q. Would it be less than 31.50?

A. I should say four or five years ago it would be probably 31.50.

Q. Now, labor handling?

A. Yes.

Q. Your very small item, you said that was handling coal?

A. And of materials.

Q. Only of coal?

A. Coal, and handling material, yes.

Q. Isn't it limited just to the coal?

14620 George E. Woods, Cross.

A. Yes, handling material is put in that account of handling material.

Q. Handling material. Well, you handle other material. What I am trying to get is some limitation. Is it coal and coal only, or do you include something else?

A. Just the handling of the coal.

Q. What kind of handling, taking the coal from the barges, or what?

A. Taking the coal from the barges.

Q. Will you say taking the coal from the barges,
14621 and from there where, after it is off the barges?

A. Into the hoppers and from there into the coal sheds, and it may be one coal shed or another coal shed, depending on the conditions, and sometimes it costs more money to put it in than others.

Q. I think I was trying to have you say what number of men you based that upon, for what period of time. How did you get at that, so as to figure it out at three-quarters of a cent?

A. Well, I said that would depend entirely upon the amount of gas you were making.

Q. Yes. I mean it is variable, is it?

A. It would be variable, yes.

14622 Q. What amount of gas did you have in mind when you fixed that amount?

A. Well, you could take almost any condition, Mr. Chambers, that is a plant running 10, 15, 20 or 25,000,000, it would not make any difference if you took an average condition.

Q. Well, what average condition did you take?

A. I took an average condition which would represent about the average for the year's operations. In other words, if you had a 30,000,000 plant, and the average were 18,000,000—

Q. What size plant did you take?

A. It would not make any difference. I might take 10, 15 or 20.

The Master: What did you use?

Q. What did you do?

A. I think I figured it on 10,000,000.

Q. Annual production?

A. Daily production.

Q. 10,000,000 daily production?

A. Yes.

Q. And how many men did you assume it would take to handle this coal?

A. I think in 10,000,000 I figured about 17 men, 14624
that is my recollection.

Q. During how long a shift, an eight hour shift?

A. Well, it would be 17 men, it would be seventeen whether I used it on an 8, 12, 16 or 24 hour shift, 17 men during the 24 hours.

Q. What wages did you have in mind to give these coal handlers?

A. As of today?

Q. Yes, and what wages?

A. I haven't got it here. Whatever that amount was.

Q. Do you pay them all alike, the 17 men all alike?

A. No, probably not. 14625

Q. How much an hour were you going to give them?

A. Well, probably their average would be around 50 cents an hour.

Q. And you haven't fixed in your mind what would be the lowest one, nor how you would pay the 17 men, have you?

A. No.

Q. I mean you don't know how many of them you would pay 25 cents an hour and how many of them 30 cents an hour, have you?

A. I haven't got that offhand.

14626 George E. Woods, Cross.

Q. You can give me that?

A. I probably have it for you.

Q. You mean later you will have it for me, or shall I wait now?

A. I think I can give it to you now.

Q. Fire, when ready.

A. The rates that I used here were 6 skilled laborers.

Q. How much an hour?

A. At 46 7/8 cents.

Q. You might, now, just stop there. Why do
14627 you need skilled labor to handle coal?

A. Because the men that are down in the boats we have to pay a higher rate of pay than the men on shore, on account of the work that is there, we have to pay a higher laboring rate than we do for ordinary labor work.

Q. You mean those fellows that shovel the coal into the dipper, or whatever they are, have to be skilled?

A. They have to shove the bucket around and keep from being hit on the head as it drops in the boat.

Q. That is, they are skilled in dodging, is that it?

A. To some extent, yes.

14628 Q. Now, go ahead, what others?

A. Three drivers at 48 3/4 cents.

Q. What kind of drivers?

A. Three drivers.

The Master: Three drivers, truck drivers.

Q. You mean drivers of horses?

A. Yes.

Q. Do you mean chauffeurs?

A. I said drivers, where you have to take the coal into the sheds, where we had no mechanical means for handling.

Q. What were you going to pay them per hour?

A. 48 3/4 cents.

Q. What other men?

A. Labor foreman.

Q. How many foremen would you want for your seventeen men?

A. One man.

Q. That would make sixteen others. How much were you going to give him?

A. 66 cents an hour.

Q. Who else?

A. Hoisting engineer.

Q. How much would you give him? 14630

A. 75 cents an hour.

Q. Anybody else?

A. And some coal shed men at 50 cents an hour.

Q. How many of those?

A. Six.

Q. Does that cover your seventeen?

A. That is the seventeen.

Q. Now, gas oil, 4.1 gallons you say?

A. Yes.

Q. What quality of oil did you have in your mind?

A. As of the kind we are receiving today.

Q. The kind the Standard Oil Company is selling you, you mean? 14631

A. That is right.

Q. What specific gravity?

A. It will vary anywhere from 28 to 34.

Q. Now, of course, you have made a thousand cubic feet for much less than that?

A. We have, that is an average condition throughout the year.

Q. At the present time?

A. It is based upon the average condition throughout the year at the present time.

Q. At whose plant?

14632 George E. Woods, Cross.

A. No particular plant, but covering the situation as a whole, as I know it, that in my judgment you will require 4.1 gallons of oil.

Q. Well, you must have had some demonstration in some plant?

A. I have a knowledge of the operation of all the plants.

By the Master:

Q. To make what candle power gas, Mr. Woods?

A. That would be to meet the requirements on the city, 22 candle power.

14633 Q. Is that 22 candle power at the holder?

A. No, it is at the district testing stations around the district.

Q. What does that mean in the holder?

A. That means anywhere, it may vary anywhere from 23 1/2 to 26, depending on the time of the year.

Q. How do you gauge what your candle power ought to be in the holder?

A. By knowing the atmospheric conditions and the tests made on the district.

Q. Who makes the test?

A. We make the test.

14634 Q. You mean the gas company?

A. Yes.

By Mr. Chambers:

Q. Where are the tests made?

A. We make tests at Grand and the Bowery, and also at 79th Street and Third Avenue.

By the Master:

Q. Are those daily tests?

A. Daily tests.

Q. Do I understand that your testimony is that you are prepared to say that this gas company, since 1905 or 1906, has been making 22 candle power gas?

A. I am.

Q. Always?

A. I am.

Q. And that you need 4.1 gallons of gas oil to make a water gas that will test in the way the statute provides, 22 candle power?

A. That is right, taking the situation as a whole. That amount will vary at different periods of the year. It will run from 3.85 to 4.40.

By Mr. Chambers:

Q. Do you test the candle power made by the other companies? 14636

A. I have a record of it, yes.

Q. Your gas is all mixed up with what you make and what others, other companies make?

A. On the district we have no real means of knowing just what gas it is.

Q. You test it all, do you, that is supplied to your customers, do you, regardless of who makes it?

A. We test it at the testing stations off the mains of the Consolidated Gas Company. We have no real assurance that gas coming from that main is all Consolidated Gas Company's gas, as a result of the transfer system.

Q. Where are these testing stations? 14637

A. At Grand Street and the Bowery, and at 79th Street and Third Avenue.

Q. Do these testing stations test all the gas that is used by your company?

A. They do.

Q. The gas must pass through these testing stations?

A. I say insofar as I know the gas is mixed in the mains and we have no direct means of knowing just what gas is being tested on account of the interchange of gas in the various holders, but it is

a combination of what we have got in the various holders.

Q. What is the lowest number of gallons per thousand cubic feet that you have known for oil used?

A. I think under some extremely good conditions, good grade of coal and good grade of oil, very warm weather where the gas carries well, it has probably been down as low as 3.60.

Q. You have never known of any lower than that?

A. Not under the conditions of a 22 candle power standard. You can use less oil and that would affect
14639 the quality.

Q. It depends somewhat on the operator, doesn't it?

Q. Well, naturally there would be some effect on the operator, a good operator might do better than a poor one.

Q. Certainly, that is so, isn't it?

A. Well, if a man didn't understand his business.

Q. It depends somewhat on the condition of the machine, doesn't it?

A. Oh, yes.

Q. What else does it depend on besides the personnel of the operator and the condition of the machine?

14640 A. It might depend upon the type of machine, depend on the character of coal, the character of the oil.

Q. Why is it that there is sometimes such a variation in the candle power? You don't make an average of 23 candle power or 22 candle power?

A. No, because the gas business is not an exact science, and we do not know always just exactly within one-quarter of a candle power what is going to be, and if the weather conditions should change it might drop as a result of its ramifications through the mains, and if it got warm the condition would change.

Q. Isn't it a good deal like the gasoline that is consumed by an automobile, it depends on the carburetor and the quality of the gasoline and the operator and the atmospheric conditions?

A. Yes, there will be a number of things that enter into it.

Q. There isn't anything definite and certain about it, is there?

The Master: He said so.

A. Except over a long period of operation—

Q. No, leave out your long period?

A. It is not absolutely definite and certain, no. 14642

Mr. Ransom: A period over the year.

Q. Did you ever figure out what your average was of oil used about 1916?

A. Well, I probably have, Mr. Chambers.

Q. Do you know what it was?

A. I do not recall just what the oil on an average was at that time. Are you referring to the Consolidated Gas Company?

Q. No.

A. No, but I should say it was in the neighborhood of 4.1 gallons. I don't know, it might have been 4.12 or 4.14.

Q. Who measures the oil that you go by? You 14643 don't, do you?

A. I do not.

Q. Whose word do you take for that?

A. The superintendent in charge of the station.

Q. You get that information always, don't you, from the superintendent?

A. I do.

Q. As to how many gallons he uses for a ton, and all that?

A. That is right.

The Master: Are those books here that were asked for?

Mr. Ransom: You mean the manufacturing record?

The Master: Yes.

Mr. Ransom: That was asked for by Mr. O'Brien for his cross-examination.

The Master: Are they here?

Mr. Ransom: They are not in court at this moment, no.

The Master: Are they on their way down here?

Mr. Ransom: I can get them.

14645 The Master: How do you know how long Mr. Chambers is going to take?

Mr. Ransom: I know Mr. Chambers.

The Master: No, you can't assume that. You had better telephone up and have them brought here. I may want to ask some questions as I do just now, from those books. It is not limited to Mr. O'Brien. Mr. Chambers may want to ask something.

Q. There is some waste, is there not, in the use of gas oil; is there any waste?

A. In what way do you mean waste, Mr. Chambers?

14646 Q. I am asking you if there is any waste at all?

A. Naturally, I suppose if you try to establish a weighted balance, you would not find, taking the weight of the oil and the amount of gas that you made, from which you could calculate the amount of oil in the gas, plus the amount of tar—you probably would not find 100 per cent, because there is some deposit of carbon, and so forth, that forms on the bricks, the checker brick, which naturally you do not get burned out as the result of the blast. So far as the weighted balance is concerned you would get a loss.

Q. Another gas engineer might not agree with you

as to the number of gallons that are used; you appreciate that, don't you?

A. He might, if he knew the New York conditions and was a good gas engineer. He would probably come very close to that figure. If he did not he might make any sort of a figure.

Q. You are interested here in the success of this company in this case?

A. Absolutely.

Q. And you, of course, are guided in what you say somewhat by that interest, are you not?

A. Guided by the fact, insofar as that statement is 14648
concerned, Mr. Chambers; and if the president of the Consolidated Gas Company had asked me to make a statement of what I thought the gas would cost this year or next year I would give him those figures.

Q. You would not be prejudiced?

A. Prejudiced?

Q. Yes.

A. I would give him the figures on what was a working operation.

Mr. O'Brien: You would be safe, would you not?

The Master: Do not answer that question.

Q. You would want to give them a figure that you 14649
would not exceed, wouldn't you?

A. I would give him a figure that I thought was the fair operating condition. It might be a little below, or a little more or less.

The Master: You would give it as nearly accurately as you could?

The Witness: I would. I think it would be just as much against me to give a high figure, as a low one.

Q. Iron mass; what do you mean by that?

A. That is a material used for purification, Mr.

14650 George E. Woods, Cross.

Chambers. It is a mixture of iron borings or shavings, or you can use natural oxide or the product of some other things, bauxite, that you can extract hydrogen sulphid from the gas with.

Q. Where do you get that from?

A. Sometimes we make it; sometimes we buy it.

Q. You got city water, etc., mixed in this. Can you segregate the iron mass from the other?

A. The iron mass would probably cost about a cent a thousand.

Q. On what did you base that?

14651 A. Well, upon my knowledge of what the price of material is, and the character. Now, that might change from time to time, Mr. Chambers.

Q. Instead of being a quarter of a cent, it might be one-sixteenth.

A. Instead of being a quarter it might be a sixteenth or might be a thirty-second. It would depend on the character of coal and coke you were using, on the amount of sulphur you had to extract, which is one of those things. I am giving you an average condition. We do not get anything that is absolutely the same every day. The figures I have tried to put in there are what I believe would be the result of a year's

14652 operation. That is covering a period of time. Those things vary from day to day; they would be higher or would be lower—

Q. You took it now, with that material as high?

A. No, that is a price we have been paying and are paying as of today. We are making the material ourselves, and it is costing as much as if we went out and bought it.

Q. Where do you use that iron mass; in the purifier house?

A. That is right.

Q. Only?

A. That is right.

Q. Nowhere else?

A. Nowhere else.

Q. You can take that material and throw it out on the ground and use it again, can you not?

A. You can.

Q. I mean you use it over and over?

A. Yes, up until it gets to a certain point of sulphur, and then it must be discarded. In theory you can use it forever; in practice you cannot do it, because you have to be emptying the boxes so often that the cost of material would be offset by the excess labor. 14654

Q. That is your estimate of the amount, you say, purely?

A. That is what I am quite sure it will take to perform the work that we are doing.

Q. You mean by that you are quite sure it will take at least that?

Q. It will take approximately that. I have said that will change, Mr. Chambers.

Q. Did you have any gas plant in mind as using that amount?

A. I had the general situation in mind, Mr. Chambers.

Q. What part do you take in the purifying of the 14655
gas, any?

A. Do I actually perform any work?

Q. Yes.

A. No. I have done it. I have emptied and filled purifiers in all my experience. I have done that work, Mr. Chambers, I have not done it recently.

Q. But during the present time the purifying of gas is, of course, second-hand knowledge. The amount of iron mass used you have to get from the others?

A. Oh, absolutely. I get records from the superintendent as to what is being used.

14656 Q. Did you get all of this information from his written records?

A. I get records that come to me from time to time, and I am in conversation with them, and I am at the plants right along. The information I have gotten is the result of many years of acquiring this, together with the knowledge of what I know is going on at the plants from day to day.

Q. Which plants did you examine the records of concerning iron mass?

A. I did not examine any particular plant.

14657 Q. You just sat down, did you, and thought this out, that that would be a right amount?

A. Well, I just knew about what the right amount would be. I did not have to sit down and figure it at all.

Q. I thought you said you used the water—salt water?

A. But not for boilers, Mr. Chambers.

Q. This city water is just for boilers?

A. Yes; and then, of course, they have wash rooms and such things as that, where they use fresh water.

Q. Did they take the water bills for any particular plant?

14658 A. I did not.

Q. You just said about so much water?

A. I just said I know from my experience in all the plants, and all the information I have had and acquired, that it takes about so much water to do this work.

Q. What did you allow for that; how much in quantity or amount?

A. My recollection was about a quarter of a cent.

Q. How much city water would they use for a thousand feet of gas?

A. Well, whatever that figures out. It is at a dollar a thousand. A dollar a thousand cubic feet.

The Master: Of water?

The Witness: Yes, a dollar a thousand cubic feet is what we pay.

Q. You mean it takes a dollar's worth of water to make a thousand cubic feet of gas?

A. No.

The Master: No, the water bill is at the rate of a dollar for a thousand cubic feet of water.

Q. What I want to know is how much water you use to make a thousand cubic feet of gas?

A. Well, not for making gas alone. You use it for making gas, steam and other purposes, and for the quenching of cinders and ashes, and so forth, but the approximate amount would be about 2 1/2 cubic feet per thousand. 14660

Q. That is an estimate you make?

A. Based upon what we are doing, as an average condition, and to what I know it would take to do that work.

Q. What you are doing; you mean the Standard, Consolidated and Astoria?

A. I have been treating the situation as a whole from my knowledge of all the companies with which I have come in contract, Mr. Chambers.

Q. What is the etc.; how much did you allow for that? 14661

A. That is half a cent.

Q. For the "and so forth"?

A. Yes.

Q. What is that?

A. That would cover the incidental items in relation to material. I do not know as I enumerated those in that.

Q. Half of that is quite a big sum, you appreciate, do you not?

A. Yes.

Q. In making a thousand cubic feet of gas?

A. Yes.

Q. Now, tell us what it is made up of?

A. Those things we put in as oil waste and sundries, packing and various other items.

Q. What?

A. Oil waste, sundries, packing.

Q. Can you tell me how much of those different things you used?

A. No, I would not undertake to tell you what that was except that I know those things taken as a
14663 whole take about a half a cent a thousand.

Q. Well, that is a variable matter, is it not? The amount of waste used would be—

A. All these things are variable, covering the time of year. I am giving you an average condition. I say it might be 9/10ths of a cent, it might be 1/10th, it might be down to 1/75th or up to 1 1/4. One-half a cent would be a fair operating condition for those things.

Q. I see you lay a good deal of emphasis on the word "average"?

A. It must be an average. It would be an average if we had the same kind of coal, the same kind of oil,
14664 the same kind of labor.

Q. The average at the present time, I mean.

A. The average condition. These figures would apply in 1926, but I do not say that they apply for any particular day or any particular month. I cannot do it.

Q. You think they would apply for 1926?

A. If we had the same kind of coal, the same kind of oil, the same kind of labor and we are paying the same price, then I say in my judgment in 1926 it would be the same as this, unless there was some improvement in method which we do not know now.

Q. Do you not recognize that there are improvements in the art?

A. That is all right, I have qualified it to say if there are improvements in the art from 1919 to 1926 of course my judgment would change as a result of those conditions.

Q. What else besides waste?

A. I said oil waste and sundries and some miscellaneous matter.

Q. You could not pick those out?

A. No, I did not try to pick that out in the slightest degree. 14666

Q. In other words, you do not mean to tell me that oil waste—

A. Oil waste and sundries and packing, I said, yes.

Q. Half a cent?

A. Half a cent covering those items. There might be other items in that. The oil waste, sundry supplies, iron mass and so forth, water, would run about one cent a thousand.

Q. Residual tar, what do you know about that?

Q. What do I know about it? I know based upon the operations and experience that I have had and the result I have gotten from various plants with which I am thoroughly familiar under the present conditions 14667 of the oil.

Q. You can get only .656 gallons of that?

A. Yes.

Q. Out of a thousand cubic feet of gas?

A. That is right.

Q. Is that another estimate?

A. It is an estimate based upon—

Q. Average conditions?

A. On average conditions throughout the year, and the character of the oil. Now, that would vary from year to year, that is from time to time. It might be 55 and go to 75.

14668 George E. Woods, Cross.

Q. It would be different according to the kind of oil used?

A. It would be different, yes, Mr. Chambers.

Q. And the person operating the machines might get more tar out of it, might he not?

A. We do not try to get any more tar than we can help; if we can get it in the gas we would rather have it there.

Q. That is, you strive not to have the tar?

A. We strive to give a good operating condition and under the kind of gas oil or oil that we use, with
14669 a good operating condition, we get that quantity of tar.

Q. Whom did you get your information from as to the amount of tar that comes out of a thousand cubic feet of gas?

A. Oh, information? I have that information all the time. I know from time to time—

Q. Well, did you see the superintendents' reports about it?

A. I get reports and I have conversations with the men. We have meetings once a week as to the results and conditions and what is going on.

Q. But it is all what others tell you, though?

A. What others tell me, and I go around the plants
14670 every day and know what is going on.

Q. I know, but you do not measure the tar?

A. No, I do not measure the tar. Absolutely not.

Q. Now, the drip oil. Is the drip oil another estimate?

A. That is an estimate, yes.

Q. That is an estimate based upon the amount of drip oil that has been accumulated by all companies. That drip oil not only covers the ramifications—that not only covers the works itself, but it might cover the ramifications of the street. That would vary depending upon the time of year and the atmospheric

14671

temperatures, which might make more or less of a drop out. All of that, however, is gathered throughout the entire distributing mains, is gathered and sent back to the works and credited to that account.

Q. The drip oil, where does that come from out of the machine?

A. The drip oil comes from the holder from the mains on the street; it is after it has gone through. The only places we have drip oil at the plants is what drops out of the holders.

Q. You did not measure any of that?

14672

A. No, I did not measure it, but I—

Q. You procured your information from the superintendents?

A. Through the superintendents, and it is my knowledge of what is going on and the records, and I know the amount that has accumulated.

Q. For instance, how often have you visited the 41st Street plant?

A. Two or three times a week. Sometimes every day. It depends on what is going on.

Q. And the 99th Street plant?

A. Maybe once a week or twice a week; sometimes maybe once in ten days. It depends on just what is going on. If the conditions are such that I feel I ought to be there I go there.

14673

Q. Sometimes you might not go for a month?

A. Well, I do not know when it was that I have not been there in a month, if I was working.

Q. Do you look over their books?

A. Not generally, no.

Q. Their manufacturing books?

A. No, I get reports from them every week, to see what is going on.

Q. Do you call for the daily reports to see what is going on?

14674 George E. Woods, Cross.

A. Not necessarily, no.

Q. Do you talk to the superintendent to see what he is doing?

A. Yes, I do, and I might call for the hourly log and look at the log to see what is going on, what they are running or what their operation was, and walk through the plant.

Q. Do you find something to criticise?

A. Well, things are not always perfect, Mr. Chambers.

Q. Do you find they are using too much oil some-
14675 times?

A. If they were I would ask them and try to find out—

Q. Do you find that sometimes?

A. What?

Q. Do you find that sometimes?

A. Well, they may be using what we think is too much oil until we finally investigate and find that they are not.

The Master: Do you ever investigate?

The Witness: Oh, absolutely.

Q. How often do you do that?

A. Well, I am in touch with it all the while.

14676 Q. Who makes the investigations?

A. Who makes them? I personally make them.

Q. How often do you visit the Astoria plant?

Q. Four or five times a week; sometimes every day.

Q. You are over there more, are you not, than anywhere else?

A. I usually stop there of a morning, and from there come to the city.

Q. Do you look at their daily records?

A. I have a record of their operation every morning. A sheet is handed me while I am there showing the result of the day's work, of the previous day.

Q. The Standard Gas Company, how often do you visit their plant?

A. I do not know. Once a week. It depends. I do not have any particular time to visit any of the plant. I would rather drop in when they do not know that I am going through, and look through the place and see what is going on. I do not have any stated time to visit any of them.

Q. What other plants do you visit besides the ones you have mentioned?

A. At times I go to the Central Union plant and the New Amsterdam plant. 14678

Q. How often do you go to the Central Union plant?

A. Maybe once every ten days or two weeks.

Q. Why do you do that; you are not interested in the Central Union, are you?

A. Oh, yes, I am. I go around to see what is going on and see their operating conditions, see if we have not things that other people have. I might be glad to get that information so that we might use it.

Q. Do you visit the Northern Union plant?

A. No; the Northern Union has no plant.

Q. Do you visit any of the Westchester plants?

A. No, I do not. 14679

Q. Any other plants you visit besides those you mentioned?

A. The New York and Queens Company I go to occasionally. If they want me to come out and look over something, I go out.

Q. Do you visit the New York Mutual?

A. At infrequent intervals. Not as much as the other places.

Q. Gasmaking labor; I asked you something about that? That is gas machine tenders pure and simple, is it not?

14680 George E. Woods, Cross.

A. Oh, no; that gas making labor would cover a number of items.

Q. Give us those. I think you said the other day you would give me the details of that. I want the number of men and their salaries.

Mr. Ransom: Are you asking now for a particular plant or for everything?

Mr. Chambers: I do not know.

Mr. O'Brien: Do you mean Utopia, or in the land of real life?

Mr. Chambers: I want to know what he based
14681 this on. I don't know whether he did it on some plant.

A. The answer I gave to you before was on a ten million foot plant. Is that what you want?

Q. I want to know the details of this gasmaking labor. What kind of labor, in the first place? Let us finish that up.

A. Yes. Gasmaking labor would cover a superintendent and assistant superintendent and a clerk, a generator fireman, gasmakers, fire cleaners, coal heaters.

Q. How many gas makers?

A. There would be twelve in that case.

14682 Q. Firemen?

A. Fire cleaners, twelve.

Q. Go right on and give me the number.

A. Coal wheelers, six; boiler firemen, six; engineers, three; oilers, three; pumpmen, three; and I put down one laborer.

Q. This is to handle one gasmaking machine?

A. No, this is to cover and make ten million feet of gas in one day.

Q. How many machines would you have in mind being in operation?

A. About four machines in this case.

The Master: How many?

The Witness: About four.

Q. About four machines, and how many machines have you in the 21st Street plant?

A. Thirteen.

Q. And in the 99th Street plant?

A. Four.

Q. What would you pay these different classes of men, starting with the superintendent, and going down.

A. The superintendent I have down here at $4,500 a year.

Q. $4,500 a year? 14684

A. Yes. An assistant superintendent at $2,500 a year; a clerk at $40.

The Master: A week?

The Witness: A chief clerk at $40.

The Master: A week?

The Witness: Chief clerk at $40.

Q. A week or month?

A. $40 a week, yes.

Q. Go on.

A. I have one stenographer down at $20.

Q. A stenographer?

A. Yes.

Q. In the works? 14685

A. In the works.

Q. Next after the stenographer?

A. Three generator house foremen at 59 3/4 cents an hour. 12 gas makers at 56 1/4 cents an hour. 12 fire cleaners at 53 1/8 cents an hour. Coal wheelers, six, at 50 cents an hour. Boiler firemen, six, at 53 1/8 cents an hour. Engineers, three, at 62 1/2 cents an hour. Oilers, three, at 45 5/8 cents an hour. Popmen, three, at 50 cents an hour. One laborer at 43 1/8 cents an hour.

Q. Do you think you would need as many men as that to run four machines?

A. I do.

Q. That is your judgment about it?

A. It is, it is an average condition.

Q. An average condition, right there, what do you mean by that?

A. What I mean is based on an average 10,000,000 make, you would probably get that result. If we were making 8,000,000 or 7,000,000 the cost per thousand cubic feet would be higher, and if we were making 13,000,000 or 14,000,000 or 15,000,000 the cost per thousand cubic feet would be lower. Taking the av-

14687 erage condition for a year—

Q. How many millions do you make at the 21st Street plant in a day?

A. Oh, we will range there from 8,000,000 to full capacity of the plant. We have made as much as 32 1/2 million.

Q. Then it ought to cost you less there according to what you said, than at 99th Street?

A. Not necessarily so.

Q. Well, you make more than you do at 99th Street?

A. Yes, we do. We have quite a range, and we have a lot of fixed charges where you are down to

14688 8,000,000 in the summer time—

Q. Are you sure you would have room there for these men to work, wouldn't they be in each other's way, some of them?

A. They would be working all right, Mr. Chambers.

By Mr. O'Brien:

Q. That is, in this Utopian plant?

The Master: Don't answer that question. The question is out of order.

Q. Did you have in mind any particular plant?

A. I did not.

Q. When you spoke of gasmaking labor?

A. I did not.

Q. Now, you said coal wheelers?

A. Yes.

Q. Did you have that included up under labor handling?

A. No.

Q. It was handling of coal exclusively?

A. No, we have coal wheelers—

Q. Oh, you have another set of coal wheelers?

A. Yes, they have to bring the coal from the coal shed to the generator house and up on the generator house floor. 14690

Q. In your plant here, your condition you had in mind, how did you propose to get the coal in the machine, by the wheelbarrowfull? What I am getting at, have you any modern apparatus by which it is hoisted up by machinery.

A. You mean into the generator house? We have elevators take it up in some cases, in other cases—

Q. Did you have that in mind when you had all these coal wheelers?

A. It wouldn't make any material difference. As I have said before, Mr. Chambers, this is the average condition, and I have considered the situation as a whole. I have taken no particular plant at all, and 14691 based upon my judgment as to what I know of the situation covering the entire situation—

Q. If you tried real hard you could cut out some of those men, couldn't you?

Mr. Ransom: I object to the question.

Q. Could you safely eliminate a few of them?

Mr. Ransom: Out of what? They have got the actual figures as to the number of men we have in these plants—

The Master: But Mr. Chambers' point is that if you put in modern appliances you might save

some of these men and cut down the cost of production. I will allow it.

A. Oh, there might be things that we could put in to save a man or two, or two or three men. The overhead expense would increase, investment, etc., and would probably offset that. You might make gas a little bit lower, you might employ a little bit less labor, but your overhead expense and your investment would just about offset the other thing.

Q. The results would vary with the type of plant used?

14693 A. They do vary, they are varying from day to day, one plant against another. We have no plant that would run the same any day.

Q. What would the average candle power of the gas as manufactured be, using an average of 4.1 gallons of oil per thousand cubic feet?

A. What would the average be? Average candle power?

Q. Yes.

A. Do you refer now to the candle power at the plant or on the district, or where?

Q. I beg pardon?

A. Candle power at what point?

14694 Q. Well, at the works?

A. At the works I should say it would average at least 6 candles per gallon, so you would get about 24.6 probably, 24.6 to 25 candles at the works, taking that as a combination of the whole.

Q. Would not the amount of oil required depend upon the type of the plant and the distance from test stations?

A. The distance from test station has something to do with it, that is, the ramification of the street mains, etc., the particular distance might not have any effect, but the manner of its travel, or the exposure, or any-

14695

thing else, the wire drawing of the gas might have some effect upon it.

Q. You have said already I think that you did not base your computations upon the kind of plant used by the Consolidated Gas Company or the Astoria Company?

A. I said I based it upon the general operation conditions of all the plants.

Mr. O'Brien: That you ever heard of?

Q. Not on those two plants, you didn't base it?

A. Absolutely I did not consider them as independent of everything else, I took the situation as a whole.

14696

Q. You had in your mind an imaginary plant?

A. No, I didn't have. I knew from my experience of the operation of all the plants, and as to the results and the conditions—

Q. You had in your mind a composite plant, didn't you, or no particular plant that you know of, a sort of rainbow plant?

A. I had in mind a plant such as might be the average of all the plants which I have anything to do. It was not any particular one plant.

Q. Where did you assume that this particular plant or this composite plant or whatever you want to call it would be located?

14697

A. I didn't assume that.

Q. You didn't assume that it would be on the East River or the Hudson River?

A. It wouldn't make any material difference, that is on a 10,000,000 foot plant, if you were going to make just 10,000,000 feet, it is only based on 10,000,000 but covering the situation as a whole, what the general expenditures would be, the general efficiency, the general results covering the situation as a whole, it would not make any material difference where it was located.

Q. It would not make any difference how many teams were needed if you were in the middle of the island?

A. I have testified that you want to be on the water front.

Q. You must have had in mind some location for your plant?

A. Why, I had no particular point. Of course it must be a point that would be of advantage so that material could be received, and spent material be gotten rid of, a condition of plant that would be properly located for the manufacture of gas. You couldn't do it in Central Park or on Fifth Avenue.

14699

Q. Now, what kind of labor saving devices did you have in mind, any at all? I mentioned coal handling. Did you have any labor saving devices in mind of any kind in your suppositious plant?

A. Well, we handle as much of the coal as we can—we handle that by means of a grab shovel for the purpose of taking it out. We have different conditions. Some will be a little better than others, and some not quite so good, some we handle by belts, some is taken in by—

Q. Well, what labor saving devices did you have in mind?

14700

A. Well, I meant in a modern method of handling coal, if that is what you refer to.

Q. Any particular device?

A. Not any particular device, no.

Q. Any other labor saving devices did you have in mind, outside of coal?

A. Wherever we can save labor we try to do it. That is—of course we have elevators, we do not take things up—in some places we have elevators for taking up coal, and in other cases we have a conveyor that will take the coal in and put it on top of the—ready

for the generator house. In other cases we have hoppers that feed the coal at the generator house and from there it is drawn up to a buggy and taken on tracks and dumped into the generator. We have different types of cars for conveying the coal to the generators, so it can be drawn on a track to the point, and the door lifted and the coal run into them.

Q. Well, have you any labor saving devices?

A. Well, those are all labor saving devices. Wherever we use power of any kind, the tendency is, and what it was put in for, was to save labor.

Q. Do those cover all your labor saving devices? 14702

A. Oh, no, we have various types of apparatus and various types of machines for repair work.

Q. Well, what are they?

A. Well, we have drill presses and lathes and saws and milling machines. We have various types of machines for doing this work, for doing our repairs.

Q. Now, have you covered fully the labor saving devices?

A. Oh, I would not undertake to say that I have covered all of them, because there are a lot of little things we tried to put in around all the plants for the purpose of saving labor.

Q. Well, give me all you can. I want to exhaust 14703 your mind on that subject.

A. I would not undertake to give them all, because I do not think at the moment I could remember all of them.

Q. Now, repair labor. What did you have in mind? How many men and what kind of wages did you propose to give the repair laborers?

A. One repair labor foreman.

Q. What is that?

A. One repair labor foreman.

Q. How much did you pay him?

A. At 66 cents per hour. One carpenter at 56 1/4 cents per hour; one carpenter's helper at 43 1/8 cents; five pipe fitters at 59 3/8; five pipe fitter helpers at 43 1/8; three blacksmiths at 56 1/4; two blacksmith helpers at 43 1/8 cents; two masons at 57 1/3; two mason helpers at 43 1/8; two machinists at 53 1/4; one machinist helper at 43 1/8; three riggers at 53 cents per hour; three painters at 56 1/4; one tinsmith at 56 1/4; one boilermaker at 59 3/8; two boilermaker helpers at 43 1/8.

Q. Now, you need all those men just to make re-
14704 pairs at a plant?

A. That is right.

Q. A plant that makes 10,000,000 cubic feet of gas a day?

A. Well, that plant of 10,000,000 for a day, that plant would make anywhere from 7,000,000 to 20,000,000 feet a day.

Q. Well, that is a big plant you have in mind now?

A. I gave you the 10,000,000, I started with 10,000,000.

Q. I can't see—you said you meant a 20,000,000 foot plant?

A. Well, that is on a 10,000,000 basis, that is the
14706 basis of operating 10,000,000, which would represent the average operations for the year.

Q. I can't imagine now what you would need say five pipe fitters for in a plant?

A. Well, that is because you have never run a gas works, Mr. Chambers.

Q. Possibly. Now, where could you work in five pipe fitters every day. I can't see that?

A. Well, they are making all sorts of repairs on pipe lines, steam lines, water lines, gas lines.

Q. You mean changing your pipes every day?

A. No, we are making repairs of various kind and things.

Q. According to your figures five men, five pipe fitters would be constantly at work?

A. They would.

Q. What about a plant that would need all these other men, hundreds of men in there, you would need five pipe fitters continuously?

A. We would.

Q. What would they do?

A. They would make repairs on steam lines, water lines, gas lines and air lines.

Q. What pipes would they be apt to change, so that you could— 14708

A. They would change all of them, anything we happen to need on the lines. They are there to change them and make the repairs as to whatever went out.

Q. Well, you have steam fitters, and you have a host of other things?

A. No, you don't see a steam fitter that I called off.

Q. Well, what will you need five pipe fitters for in a plant like that, and what pipes would be apt to change?

A. To make the necessary repairs to the pipe lines throughout the plant which might be leaking or want to be changed, covering steam, air, gas, oil and water; whatever the lines may be.

Q. Could I see that card? I can't remember. 14709

A. I will call them off to you.

Q. I caught five pipe fitters.

A. Five pipe fitters and five helpers.

Q. I caught that, because I was startled at the number.

A. Well, it was five pipe fitters and five helpers.

Q. Now, the five helpers would help the five pipe fitters?

A. That is right.

Q. And they would all be busy, you think, all the while, fixing the pipes?

14710 George E. Woods, Cross.

A. That is right, making repairs of all kinds.

The Master: Is there any labor union regulation about it?

The Witness: I beg your pardon.

The Master: Is there any union labor regulation that calls for those helpers?

The Witness: No, sir.

Q. Who else there, besides the five helpers? I just want to ask you about them.

A. Three blacksmiths.

Q. Three blacksmiths?

14711 A. Yes.

Q. You need those all the while there in the plant?

A. We would.

Q. And what do those blacksmiths do?

A. They sharpen tools and fix up buggies and general repairs that a general blacksmith would do, all sorts of things. They would work around the machines, overhauling the generators.

Q. It looks to me as though your plant would be falling down there about every day?

A. That is the reason it don't fall down, that is the reason we don't have this depreciation you talk about, because we keep it up.

14712 Q. What else have you got? Oh, you keep your plant right up?

A. Absolutely.

Q. No depreciation in your plant?

Q. Absolutely not.

Q. Now, who else have you got?

A. Two masons.

Q. You are sure you don't have any depreciation in your plant?

A. Absolutely.

Q. You spend this money that you had in mind here for these workmen, you spend that instead of

keeping a depreciation fund or allowing a proper depreciation?

A. No, we keep our plant in shape for good operation. We have to keep the plant up.

Q. You have in mind spending extra money and hiring additional men to keep the plant up so there won't be any depreciation, is that it?

A. We do not; we keep the plant up in such shape that it is always in 100 per cent condition for operation.

Q. It takes more men to keep a plant up, to keep all of the machinery up to 100 per cent? 14714

A. If it does, it is a whole lot cheaper or in the operation, in the end, than to let it run down and don't know what you are doing.

Q. Who else have you got besides three blacksmiths?

A. Well, we have got a couple of blacksmiths' helpers.

Q. What is that?

A. A couple of blacksmiths' helpers.

Q. And they are busy with the blacksmiths?

A. They are busy with the blacksmiths.

Q. What do they do?

A. Help the blacksmiths. 14715

Q. Now, who else have you?

The Master: It does sound perfectly ridiculous, but those are the labor conditions.

Mr. Chambers: Well, I don't know about that.

Mr. O'Brien: Your Honor, when you lift the veil at this plant, you will find that is not so.

The Master: If you lift the veil of labor conditions, you will find it is so.

Mr. Ransom: If you lift the veil of this plant, you will find this company is actually requiring even more men than given in those figures.

The Master: It seems an outrageous thing to have a lot of helpers and have the men watching each other, but that apparently is the condition of the labor situation.

Mr. Ransom: You won't find that condition in this company's plant.

The Master: If you walk around the street you will see four men and two foremen.

Mr. O'Brien: We will take a hundred plants throughout the country, and you won't get that average, nor anything near it.

14717 Q. Who else besides the blacksmiths' helpers, did you name then, Mr. Woods?

A. Two machinists.

Q. What do they do?

A. Well, they would be working on machine work, and on lathes or drilling presses, and so on.

The Master: I suppose you have to have a couple of helpers for them too?

The Witness: There is one machinist's helper.

Q. One helper for the two men?

A. Yes.

The Master: You wouldn't get any work done unless you had helpers?

14718 Q. Who else?

A. Three riggers.

Q. What?

A. Riggers.

Q. Riggers?

A. Yes.

Q. What do they do?

A. They do all sorts of work; that is, any rigging that might come in on any repairs, that would require the taking down of any part of the apparatus, we have to put up rigging to take it down.

Q. You mean you are taking something down and putting something up every day?

14719

A. It may be; it might require rigging for the purpose of—

Q. Wouldn't you get along better if you did not take so many things down and put them up?

Mr. Ransom: I object to the question. Of course, you have to continue to reline these generators and everything.

The Master: I will allow the question.

Mr. Chambers: Not every day you don't.

Mr. O'Brien: The more you reline them, the more inefficient the plant is.

14720

Q. How often did you reline them in this supposititious plant?

Mr. Ransom: I object to it.

Q. Did you figure on relining the generator?

A. We do not reline them every time they are let down or go in to overhaul them. The relining probably would not take place more than once a year.

Mr. O'Brien: Didn't you say it became—

The Master: That question is out of order.

Q. I understood your counsel to say you relined them every few minutes, or it sounded so. It is done once a year?

14721

A. I said we recheckered the machines for every 800 hours and took out the checker blocks in both the carbureter and superheater and went in and fixed up the generator and fixed it up as a result of the barring down and clinker formation in the generator, requiring a repairing of that generator.

Q. How long did you consider running one of these machines, continuous running?

A. It varies. It would depend upon the character of the coal and so forth, which will take—

Q. Well, how long did you figure in your supposititious machine?

A. As of about what we are running now. We run anywhere from 700 to 1,200 hours.

Q. Before you shut one down?

A. Before we shut it down, yes.

Q. Now repair material?

A. You understand there may be minor repairs made on that machine, as a result of operation, it may be down for half a day, or something of that sort, something breaking or something on that line, and it would be shut down, but not for general cleaning up.

Q. Now, the repair materials; what kind of materials did you have in mind for that?

A. The repair materials, iron, steel, fire brick.

14723 Q. What quantity?

A. I did not itemize repair materials account, except that I know it would take about that much of those various kinds of materials.

Q. That is, you figured that—

The Master: Have you got that 1919 operating schedule?

Q. You estimated it would take that much material?

A. I did.

Q. Like a man estimating on a building to build it, you put in your figure as being on the safe side?

A. No.

14724 Q. Not quite that?

A. I knew from my own knowledge that is about what we would require, covering a plant of that kind.

Q. Well, it is an estimate?

A. It is an estimate based on my judgment of an average operating condition for the year.

Q. Well, that is what a bidder on a building does, but he makes an estimate as to how much he thinks it would be safe for him to bid. Isn't that about what you had in mind here, Mr. Woods?

A. If he was a good builder he would probably know about the estimate; if he wasn't a good builder, he would probably lose money.

14725

Q. Well, he would not know—isn't it customary to try to be on the safe side?

A. Naturally a contractor is not doing business, if he can help himself, at a loss.

Q. And what you had in mind here was to play safe, so that you would not—there would not be any loss of money here?

Mr. Ransom: I object to that.

The Master: I will allow it.

Q. What do you have to say about that, Mr. Woods?

Mr. Ransom: He hasn't said anything about it. 14726

The Witness: What I had in mind was that the average cost throughout the year, under the conditions under which we are operating both as to the quality of materials, oils and labor, that in my judgment it would cost that much to make gas.

Q. Now, miscellaneous works expense, what did you have in mind for that item? These cards that you have in your hand, are those from memoranda that you made up?

A. It is the miscellaneous works expense. I have not itemized it at all. I know that in our operations 14727 that the miscellaneous works expense covers—costs us about that much money, that that covers the items of the telephone and use of electric light, gas, brooms for sweeping up and cleaning up of the plant, and a miscellaneous collection of things, with some scow charges in that for the handling of refuse and taking it away.

Q. But you can't itemize it for me?

A. I cannot segregate that, I can't itemize it for you.

Q. It is an estimate, too?

14728 George E. Woods, Cross.

A. That is an estimate based upon the conditions under which we operate, which amounts to about that much money, taking the situation as a whole.

Q. Now, the gas storage expense, that is what, the maintenance of the holders?

A. No, that is the operation of the holders.

Q. You mean—what is included in that?

A. What is included in that?

Q. The engine that operates that holder?

A. It includes the boiler fuel for the making of steam.

14729 Q. It includes what, the boiler fuel?

A. The boiler fuel for the making of steam.

Q. Well, haven't you got that up here once already?

A. Not gas storage expense, and so forth. That is a separate item there.

Q. This is some more boiler fuel that operates the holder?

A. Yes.

Q. Don't sometimes the other boilers make the steam for operating the holder?

A. It might, but they would be charged with the amount. There might be times when some of them—

14730 Q. You mean you could not use the same boiler?

A. Oh, yes, you could.

Q. Well, if you did use them, then it would eliminate this item?

Mr. Ransom: I object to the question. The uniform system of accounts requires this gas storage item to be kept as a separate item, and it is so kept. This company would be in serious consequences if it did not comply.

The Master: I will sustain the objection.

Mr. Chambers: Exception.

Mr. O'Brien: It is a question whether it is

duplication, not what the uniform system of life preservation provides for.

The Master: I will let him answer whether it is duplication.

Mr. Chambers: Whether it is a duplication under this item of boiler fuel.

The Master: I don't think you are bringing it out right.

Q. Boiler fuel?

A. Yes, boiler fuel, but it is not in the gas manufacture, it is in distribution, gas storage and distribution. 14732

Q. You say it is not, but if it is for boiler fuel, and you use the same boiler to make gas that you use to raise and lower the holders, it would be duplication?

A. Oh, no, it would not, because that fourteen pounds that I estimated there has no connection with the holders.

Q. How many pounds did you estimate for this?

A. I did not make any estimate on that as to the different quantities. It would vary for different stations. Some might have to do more pumping than others. That was taking the distribution of the companies as a whole as to what it would cost for that 14733 purpose.

Q. All of the companies as a whole?

A. I think the average of all of the companies would closely approximate that.

Q. Now, what else did you have in that besides boiler fuel?

A. Well, there is the expense of the men.

Q. How many men?

A. Well, that would depend. I have not given the number of the men. I have not given the number of men because it depends on the number of stations we have, and so forth.

Q. Well, what did you have in mind?

A. I had in mind, so far as we were concerned on this statement, covering all of our gas storage expense.

Q. But this particular item, gas storage expense, covers the expense of all of these companies?

A. It is an average of what would apply on gas storage expense, covering the proposition as a whole.

Q. Like the Astoria Company, the Standard?

A. An average condition as in my judgment my estimate is that the average condition of the com-
14735 panies as a whole would be one cent.

Q. Well, did you have in mind these different plants like the Standard and the New Amsterdam?

A. I had the whole situation in mind, the distribution from our holders as made, as it goes out, gas comes into and goes in from one transfer main, and as it goes out it may go out into more than one main.

Q. That is how much gas expense, for what quantity of gas, a thousand cubic feet?

A. One cent a thousand cubic feet.

Q. Was this an estimate, too, the same as the other?

Q. That is an estimate based upon my knowledge
14736 of what it cost.

Q. Now, you have a variance here between what you call cost of manufacture and cost of manufacture sold?

A. That is right.

Q. The other is the gas that got away from you?

A. That is right, that is the unaccounted for.

Q. What percentage is it?

A. Approximately seven per cent.

Q. How much?

A. Seven per cent.

Q. Seven per cent. Now, did you have any plant in mind?

14737

A. No; I had the whole situation in mind.

The Master: You lose about seven per cent of your gas?

The Witness: About seven per cent.

Mr. Ransom: And a very low percentage?

Mr. Chambers: Why should counsel testify?

The Master: He is not testifying, and I am not paying any attention to his statement.

Q. Now, that unaccounted for gas, there is no certainty about it?

A. Oh, there is a certainty as to the unaccounted for.

14738

Q. Well, I mean the amount. It depends on how well the mains are kept up, doesn't it?

A. There is a certainty as to the amount.

Q. The condition of all your mains?

The Master: As I understand it, there is a certainty that a certain amount of gas is lost.

The Witness: Yes, your Honor. We know how much we make, and we know how much we have sold and used.

By the Master:

Q. And you know that the difference is lost somewhere?

A. That is right.

14739

Q. You know from experience that that will average about seven per cent?

A. It will average about seven per cent, taking the situation as a whole; it will average anywhere from six to seven per cent.

Q. I gathered earlier in the case that it is part of the loss charged to condensation, and part to leakage, and part to slow meters, and things of that sort?

A. That is right.

Q. What part of it is applicable to these various items is a pure guess, isn't it?

14740 A. It is simply a matter of judgment.

Q. But the fact that you lose so much gas is a matter of absolute certainty?

A. That is right; that is definite.

Mr. Ransom: The Public Service Commission requires the amount of unaccounted for gas to be determined in a definite way?

Mr. Chambers: Now, you see my table here, I take it.

Mr. O'Brien: That doesn't matter, what the Public Service Commission requires.

14741 By Mr. Chambers:

Q. You have known, haven't you, that the unaccounted for gas has been as low as 2.70 for your company, the Consolidated Gas Company for a whole year?

A. I know they may have reported that figure, but I do not think the Consolidated unaccounted for gas—

Q. You mean they don't make correct reports—

A. I don't know whether or not—no, because it is a question as to the proper distribution.

Q. Yes, it is a good deal of question about that unaccounted for gas, isn't it?

14742 A. No, unaccounted for gas is definitely ascertained.

Q. Haven't you made that seven per cent as high as you possibly could?

A. Our unaccounted for gas last year, if my memory serves me right on the point at the time, was 7.08 per cent.

Q. Do you know what your company reported it as?

A. I think they may have reported it—I am not sure—6.08 or 6.11, or something of that sort.

Q. Yes. Do you know what they reported it at in 1911?

A. I do not recall that figure.

Q. It was 2.70. Would that surprise you any?

A. In 1911?

Q. Yes.

A. It would not surprise me any. I think we must have had a very low unaccounted for gas.

Q. In 1915, 3.10?

A. I can explain.

Q. Well, isn't it this, that no two years are alike?

A. Oh, that is correct.

Q. It might be seven per cent this year, and might be— 14744

A. I will tell you what reflects the unaccounted for. It is the condition of the temperature of the atmosphere throughout the year. The condition of the atmosphere throughout the year has a very material effect upon the unaccounted for gas for any one year. a greater loss by meters. Is that correct?

Q. Now, in 1918, or the winter of 1917-18, you ought to have had a large unaccounted for gas, or it seems so, on account of the temperature?

A. The unaccounted for gas for 1918 was 7.08; I think the year before it was—

Q. You have just told me it was 6.11, or something, for 1918? 14745

A. I said for the—

The Master: He said his company reported that, all these companies together.

The Witness: All the companies, I think, was 7.08.

Q. That was because it was an extraordinary cold winter?

A. I think for 1917, if my recollection serves me right, I may be wrong in the decimal, I think it was about 7 1/4 per cent.

By the Master?

Q. Seven and how much?

14746 George E. Woods, Cross.

A. 7.25 per cent. It may have been 7.2. I can't recall the exact figure I had.

Q. Well, it varies from year to year, does it?

A. It does, and the temperature has a very material effect on the unaccounted for gas, and I will tell you why.

Q. It varies somewhat, does it?

A. It varies, and the temperature has a very material effect upon the unaccounted for gas, and I will tell you why—

Q. Sometimes it goes down much lower?

14747 A. When we speak of it as being attributable to slow meters, there is no doubt but what taking the meters as a whole and testing them out, from our own experience, they will run slow. In addition to that, for instance, if you have cold weather covering a period of time the frost will get down into the ground, and the temperature at which your gas is metered by the consumer is below the temperature at which the gas is measured at the plant after the correction, and whatever that difference may be the fault is not attributable to the meter, but as a result of the ground temperature the people are getting more than if the gas were corrected to sixty degrees.

14748 Q. Is not seven per cent pretty high?

A. Seven per cent I should say was a fair unaccounted for. We have gone, I think—

Q. Haven't you gone very much lower than that?

A. We have gone, in my recollection—I may be wrong—I think in the warmest weather that we have had, taking the output as a whole, I should say 5 1/2 or 5.60.

Q. Hasn't it gone much lower than that?

A. I don't think so, that is my recollection.

Q. Has not the Consolidated Gas Company alone gone much lower than that?

A. Well, it may have been a little lower. They have spoken of a figure here of 2 1/2 or 3 per cent, I don't recall the figures, but the explanation for that is this—

Mr. O'Brien: I can't see whether he concedes it or not. If he is disputing the fact we ought to know it, if he is just swimming about—

The Master: Let us hear what he says. He won't swim very far.

A. In about 1901, when the interchange of gas came between all the companies, they had had a certain unaccounted for when they were operating by 14750
themselves prior to 1901, that is, they knew definitely what their own unaccounted for gas was. As a result of this interchange, and the connecting up of mains and holders with a view of trying to spend as little money as possible, the gases became mixed so that there was no means of knowing just what the unaccounted for was, but we said, "Now, in your operation prior to this year your unaccounted for was approximately seven per cent, and this other company was eight per cent, and this other company was seven per cent, and this other company six per cent. Now, we will assume that you had a fair operating condition," and still continued to charge, in de- 14751
termining their requirements for the year, seven per cent, or eight per cent or six per cent, whatever it may have been, and we took the difference. Now, that is what happens. The result was they followed those lines, and these other companies ran along with a constant unaccounted for for each year, based upon their conditions prior to this interchange of gases.

Q. Has that been changed?

A. That has been changed.

Q. When was it changed?

A. The change was made in 1918.

14752 George E. Woods, Cross.

Q. What was the change?

A. It was changed for this reason—

Q. How was it changed. How can you tell any more definitely what the loss of the Consolidated Gas Company is?

A. Only to this extent, your Honor—

Mr. O'Brien: It is a matter of pure theory.

The Master: Won't you please let me get the answer from the witness and not from you.

A. A good many of these companies were being looked after by the same people—

14753 Q. I don't care about that—

Mr. O'Brien: I am going to object. If the witness does not give a responsive answer I am going to object to this record being made.

The Master: Didn't you see I had already forestalled you in interrupting the witness. If you will let me alone I will get the answer.

Q. Beginning with 1918, how can you determine any more accurately what the loss of the Consolidated Gas Company is than you could before?

A. It is an estimate, your Honor, as to what each company does, but it is believed, and I think I made the recommendation, that as these companies were

14754 now practically one, there ought to be some other method of arriving at this.

Q. What is your other method?

A. The method then was to take the combined make of all companies, and the combined sales—

Q. In other words, you got at the total loss of all the companies?

A. The total loss.

Q. And then you prorated it?

A. No. We took the combined requirements of each company. Let me go back just a minute and I will get that straightened out. It was believed, and

14755

I made the recommendation, that of this unaccounted for gas three per cent of it was attributable to losses from condensation—

Q. Before you get to attributing anything to any particular amount, you arrived at the total loss of gas for all the companies?

A. I did.

Q. Being the difference between the make and the sell?

A. Yes.

Q. And what is on hand?

A. Yes.

14756

Q. How much of that do you say was lost by the Consolidated Gas Company?

A. Of that 7.08, I think 6.11 was the figure.

Q. How did you get at it? What percentage of the total losses did you ascribe to any one company?

A. I was trying to explain that the best way I could when you stopped me.

Q. It was not a very good way for me. You were talking about taking three per cent and attributing it to one thing, and two per cent and attributing it to another. What I want to know is, the total lost gas for all your companies, we will say, is one million cubic feet. Now, how do you determine in the first 14757 place what percentage of that million cubic feet was lost by the Consolidated Gas Company?

A. That is simply and purely a matter of calculation based on certain things.

Q. Based upon what?

A. Based upon the sales of gas per mile of main. For instance, if it is unaccounted for, or leakage, whatever it may be—

Q. Do you know for just what it is unaccountable?

A. We do not.

Mr. O'Brien: They use a formula, your Honor, according to Mr. Brundage—

The Master: Won't you let the witness tell me?

A. There is a certain amount unaccounted for, and we had a certain main mileage—

Q. In the first place, you start off and say that out of this seven per cent you figure three per cent is lost by leakage in mains. Therefore, if you have a larger number of mains, you have to have more leakage for mains than other companies. Then if you
14759 have more meters than somebody else, you must have a greater less by meters. Is that correct?

A. We took the total sales and the total loss, we applied insofar as meters were concerned, based on the sales, to get at the still unaccounted for gas it is based on their percentage of the total sales. The difference was divided up into mains. If all the companies had sold the same amount of gas per mile of main the unaccounted for for every company would have been exactly the same, but the Consolidated was selling more per mile of main, and we based this unaccounted for on the basis of mileage of mains.

Q. That is all dependent on your judgment, that
14760 part of it, that a certain percentage is due to leakage in mains?

A. There is a matter of judgment. Three per cent on the other might not be right, I am inclined to think it might be a little higher.

Q. So, as I understand your testimony your recollection is that prior to the year 1918 the amount of lost gas reported by the Consolidated Gas Company was very low compared to what it should be, due to the fact that you took an arbitrary amount for other companies, and simply charged the Consolidated for what was left?

A. What was left.

Q. That is your explanation of that?

A. That is my explanation. I believe the unaccounted for of the other companies was less than they were reporting, and that for the Consolidated Gas Company it was more.

Q. You think that the Consolidated Gas Company when they reported, we will say three and a fraction per cent of lost gas understated the amount of lost gas?

A. I believe that their unaccounted for was more than that, but based on the method of calculation, 14762
why that was what was left after the other companies had theirs.

Q. Did you take occasion just to check up on your figures to see what the percentage was for unaccounted for gas by the Consolidated Company for the six months ending August 31, 1919?

A. I know about what that is, Mr. Chambers.

Q. What is it?

A. My recollection is it was about 3 1/4.

Q. It is 3 1/4, isn't it?

A. It may be. That is easily accounted for.

Q. Just take a look at your counsel's own exhibit, which is No. 357. It is 3 1/4, is it not, now, for 14763
1919 (indicating)?

A. Yes, but it will be six times that at the end of the year; I will tell you that.

Mr. Ransom: The percentage is different at different times of the year.

Q. For that six months that is the percentage, isn't it—3 1/4?

The Master: For eight months.

Mr. Chambers: Eight months, I mean, that is the percentage.

A. That is right.

Q. The percentage may continue just the same?

A. No, it will not. If you take the September figures you will find it will be higher and if you take the October figures you will find it will be higher, and so on. I will tell you why it is. Our send-out in January or our sales in January are heavier than they are in February. When we report our make in February the sales are based on the time from January 15th, to February 15th, so that we get sales which apply to the January make, but those sales apply to the February make. So that when you take
14765 from January 1st to August, you will always find that your sales of the previous month are higher than the month on which you are working, which affects your unaccounted for gas. As soon as you get to the bottom and start to go the other way you find that unaccounted for is going to run up to nine, eleven or twelve per cent, because you do not compare the month's sales with the month's make. There is an overlapping that affects it. You get your sales from the 15th of one month to the 15th of the next and you are comparing that with the make, where the send-out is less.

Q. Did you take occasion to find out how many
14766 pounds of generator coal you used per M for the same eight months, according to your own statement?

A. I do not recall. I probably have seen the figures.

Q. Did you know it was 19.30 instead of 32.30 that you have on your exhibit?

Mr. Ransom: I object to the question.

A. Is that coal? Have you got some coke in there, and how much coke?

Q. It is 19.30 as against 32.30 per M?

A. How much coke, Mr. Chambers?

Q. No, but I am asking you did you know your

company reported 19.30 pounds of generator coal per M make a thousand cubic feet of gas?

A. Yes, and they also reported generator coke to make a thousand cubic feet of gas, and if you add the two together you will get the proper result. Take the combination of the two and you will find what is actually used for the eight months.

Mr. Chambers: I will consent to my question in regard to his report here, Exhibit No. 357, going out.

Mr. Ransom: I object to its going out.

Mr. Chambers: Then I will have to ask him 14768
this—

Mr. Ransom: You are referring to the figures given on Exhibit 357 for identification, are you?

Mr. Chambers: Yes, I am speaking now of Exhibit 357, which I thought was in evidence but is only for identification.

Q. Then the figure of 19.30 was only for generator coal? Your counsel made some loud protest there. You use some coke for fuel?

A. That is right.

Q. You said already that coke is not as good as coal, but you use it?

A. We do use it. 14769

Q. It is not as good pound for pound?

A. It depends on the quality of the coke. Sometimes we can get as good results from a good grade of coke as we get from coal.

Q. Generally not, though?

A. If you take the ordinary gas house coke we would expect it might not be quite as good. It won't be as good, Mr. Chambers, if we are using all coke. If you can mix them you do not have quite the same discrepancy.

Q. Together you used—

A. 33.74.

Q. Divided into 19.30 and 14.44 respectively?

A. That is right.

The Master: That is pounds?

The Witness: Pounds, yes, sir.

Q. What do you mean by renewals and replacements? In the plant itself or where?

A. In the outfit as a whole.

Q. I mean in the manufacturing plant only?

A. No, not plant. Street mains and whatever might have to be renewed or withdrawn from service.

Q. What did you base that on; what are the items
14771 in regard to renewals and replacements?

A. Whatever might have to be renewed. They may be mains, they may be holders. It may be a boiler, it may be a pump—anything that is withdrawn from service.

Q. As being inadequate for one thing?

A. It may be inadequate, yes.

Q. Or obsolete, for another?

A. Possibly.

Q. Or because it was worn out, for another?

A. If it were worn out it would be withdrawn from service. The general repairs, etc., would not have anything worn out unless it was a point where it
14772 was something that had to be replaced by something more modern, as a matter of obsolescence.

Q. Is that all that that covers?

A. It covers all the items that would require renewals or replacement.

Q. Does it cover anything else except the plant where the gas is manufactured, and the mains?

A. And the mains.

Q. And the services?

A. And the services and the meters, whatever might have to be withdrawn from the service. Anything applicable to the gas business in its operation.

Q. That is a variable estimate, is it not?

A. That would vary, yes.

Q. That is very high, I see.

A. Well, the Consolidated Gas Company's during the past twelve years was about .0364 or .0360, I think. I think the Standard Gas Light Company's in the past eighteen or nineteen years is about .0388, the withdrawals for renewals and replacements.

Q. The Standard seems to be lower than the Consolidated?

A. No, one was .0388 and the other was about .0364 or .0360. 14774

Q. Did you base that on the figures—those two figures you are giving?

A. I base that on determining and ascertaining from the various companies and finding out what have been withdrawn from the service, covering a period of time. I have had access to these figures to find out what this was. The figure ordinarily set up in the accounts is three cents per thousand for renewals and replacements, and I was interested to find out whether or not three cents covered it, and I found out over a period of years that the renewals and replacements are in excess of three cents.

Mr. O'Brien: I move to strike out the answer. 14775
He is trying to prove the operating expenses of the Standard Company here.

Mr. Ransom: We are trying that matter here.

The Master: I think the answer was brought out by the question. I deny the motion.

Mr. O'Brien: He filled it in with general comment, and I move that it be stricken out and take exception to your Honor's ruling.

Q. This supposititious plant you have, is that the most modern plant that you could possibly build to make water gas?

14776 George E. Woods, Cross.

A. It would be a good operating plant.

Q. Do you mean it would be an ideal plant?

A. Well, it is a question of what an ideal plant would be, Mr. Chambers. What one man might consider ideal somebody else might criticize.

Q. Is it a better plant than any of these you have seen?

A. It would be a plant such as we have, such as we have throughout the city, which are up to date plants in every way.

Q. For instance, it would be a plant like the 21st
14777 Street plant?

A. Not necessarily. Probably any time you were designing a plant there were never two plants alike, and I have never seen two plants that were exactly alike.

Q. Would it be like the Astoria plant?

A. It might and might not be.

Q. Would you say it would be better than the Astoria plant?

A. No, I would not say that it was any better than the Astoria plant.

Q. Would you say it would be any better than the 21st Street plant?

14778 A. I should say it would be an average of the plants we have. I should say it would be along those lines.

Q. Would it be any better than the 21st Street plant?

A. I think the operating conditions, insofar as the plant itself was concerned, would be very little different from the 21st Street plant.

Q. How would it compare with the 99th Street plant?

A. There might be some differences. 99th Street is a particularly good plant in many ways.

Q. As good as the 21st Street plant?

A. In many ways, yes. In some ways not quite as good.

Q. Would this supposititious plant be as good as the plants of the Standard Company?

A. I should say so.

Q. As good?

A. I should say so.

Q. Would you say it would be better?

A. I would say this plant I had in mind would be about as good as the average of all of them, Mr. Chambers. 14780

Q. Do you think you could build any better plant than the one you have outlined here?

A. Do you mean insofar as the results, and so forth, are concerned? No, I do not think so.

Q. You think that would mark the high water in your idea of a water gas plant?

A. Well, it might be that things are going to develop which might—

Q. Well, as you know things now that would be the high-water mark in perfection, would it not?

A. It might be possible if we are going to build a plant, to make some changes, make it a little differently, which might affect the result to a slight extent. 14781 At the same time, whatever that saving was would be largely offset by the increased expenditure for making these changes. That might be possible, and there are times, you know, that you can improve some operating conditions at the expense of capital.

Q. Have you Exhibit 354, Mr. Woods?

(Mr. Ransom hands the witness paper.)

A. Yes, sir.

Q. You have bituminous gas coal 200 pounds?

A. Yes.

Q. You say that is your estimate of what it takes to make a thousand cubic feet of coal gas?

A. Right.

Q. You said that the Consolidated have no coal gas plants in operation at the present time?

A. I did.

Q. Those have been shut down since 1918?

A. Right.

Q. They only operated a few days in 1918?

A. Right.

Q. Not enough really to call it operation?

A. We had them ready for use and had them fired up in case it was absolutely necessary.

14783 Q. But since that they have not been used?

A. We have not run them since that time.

Q. Are their fires drawn?

A. Oh, yes, they are drawn. They will be put back again, though, when the weather gets a little cooler.

Q. What plant did you have in mind as using 200 pounds of coal to make a thousand cubic feet of coal gas—any?

A. Well, no particular plant, because it was an average condition with a fair grade of coal which will give you about five cubic feet to the pound. As I said the other day, you can run that from 5.40 to 5.60 or 75, or up to five and a half, the result being

14784 approximately the same insofar as the heating value per pound of coal or candle feet per pound of coal is concerned. It does not make any difference.

Q. What kind of bituminous coal did you have in mind, coming from where?

A. A good grade of Pennsylvania, or a good grade of West Virginia coal.

Q. That varies in its quality?

A. Oh, it varies.

Q. Then if it varied in quality that would vary the number of pounds?

A. That would change it, go up and down.

Q. It does change from time to time?

A. It does change, yes. We do not get the same yield every day, day in and day out.

Q. Boiler coal ten pounds?

A. I have here ten pounds of boiler coal, insofar as the purchase of coal is concerned, but in addition to that there would be from five to six pounds of breeze from the coke, which, however, is a residual from the coke, and I did not include that in the production cost.

Q. I did not get what you mean by that?

A. That there would be a certain amount of breeze 14786
produced from the coke, which we would use in the boilers—which we could use.

Q. But would that lessen the number of pounds, or what?

A. No, we would have to buy ten pounds of anthracite, and we would have about 100 pounds of coke for sale, approximately. In addition to that there would be some breeze which we would not sell but would use under the boilers.

The Master: What is breeze?

The Witness: It is fine stuff from the coke, small particles of the coke, which in its handling gets into this fine material. 14787

The Master: Coke dust might express it.

The Witness: Yes.

The Master: Why do you call it breeze?

The Witness: Well, it is just one of those names that has been going on for years and years, your Honor.

Q. There would be a credit there, would there, do you mean?

A. There would be a credit if you sold it.

Q. How much of a credit?

A. Well, if we sold that we would have to buy the

14788 George E. Woods, Cross.

equivalent in some kind of coal, so there would not be any credit. One would offset the other.

Q. What would be the candle power of this gas you would get with a yield of about cubic feet per two hundred pounds of coal?

A. It would depend somewhat upon the coal, and depend upon the amount of hydrocarbons in the coal —what we call the volatile matter; it would run anywhere from 67 to 73—probably an average of 70 candle feet, which would be about fourteen candles.

Q. Fourteen to the thousand cubic feet?

14789 A. Yes.

Q. Labor handling; what did you mean by that?

A. Labor handling of material.

Q. Of coal only?

A. Of the coal and coke.

Q. But that only?

A. Yes, and the handling of coal to the boiler houses, and so forth; that is all.

Q. That completes the entire handling of coal?

A. That would be right. The coke handling, and so forth, would come under the head of the handling of residuals. There would be the handling of the coke, or whatever coke we had, which would come

14790 under handling of residuals.

Q. How many men did you consider there, and the wages to be paid them?

A. The handling of the coal?

Q. What wages and what men?

A. This was based upon a plant of about 7,000,000 cubic feet capacity—daily capacity.

Q. Any particular plant did you have in mind? A. Well, this would be something along the lines of the Astoria plants, or the plants which we have, or the Central Union—more so than as applying to our own particular plants, where the efficiency would not be so good.

14791

Q. Can you give me the number of men and the wages you paid them for labor handling?

A. You understand, this is based on a plant of about 7,000,000 capacity, operating at about 7,000,000 which would be an average condition. It would be a plant capable of from eight to ten million cubic feet a day, and that make would average anywhere between the range of five and ten million.

Q. Go ahead.

A. For the handling of coal and the handling of boiler house coal, coke, gas coal, one foreman at five dollars a day. One crane operator at $5.01 a day. 14792
One boiler helper at $3.76 a day. Three bin men at $3.98 a day. Eight laborers at $3.55 a day. One weigher at $3.59 a day. Three conveyor men at $3.98 a day. One car dumper at $3.55 a day. One locomotive engineer at $5.01 a day. One switchman at $3.55 a day. One oiler at $3.79. One crane operator at $5.01. One crane operator helper at $3.76. One locomotive tender at night $3.89. Four men in the power house for generating electricity and one electrician, $4.45. That is a total of thirty men.

Q. That is the labor you spoke of for two cents per thousand cubic feet?

A. That is right. 14793

Q. And you figured working them eight hours a day, did you?

A. Eight hours, yes, sir.

Q. Now, then, the residuals you have listed here—what plant did you have in mind for the amount or coal tar, coke and breeze and ammonia and ammoniacal liquor?

A. The coal, coke, tar, ammonia, et cetera, you can take most any plant and arrive at these figures, depending upon the type of apparatus. Some particular types will give you a greater yield of tar; some

14794 George E. Woods, Cross.

will give you a greater yield of ammonia. What I had in mind was the general operation as applied to Astoria, because I included cyanogen extraction. The Astoria plant is one of the extremely few that does that work. I believe it is done in Philadelphia. The Central Union is doing it in a small way, and we are working that material up for them at the Astoria plant, they not having the apparatus to work it up. They extract it, and we take it over and work it into sludge cake at the Astoria plant. Aside from these two plants, Astoria and the Central Union, and
14795 in a small way in Philadelphia, those are the only plants in the country that are extracting cyanogen.

Q. So you obtained that from the Astoria plant?

A. Yes, I did do that, because that is the only source of information that I had. Of course, I have had some considerable experience on the character of the coal, the condition of the heats, et cetera, which reflect to a considerable extent the amount of cyanogen produced.

Q. Now, these residuals you spoke of, Mr. Woods, you had in mind really the Astoria plant, didn't you?

A. Yes, to a large extent.

Q. Well, to a very large extent. You had it in
14796 mind exclusively for some of the things?

A. Yes.

Q. Handling residuals, you have charged up something for that, havent you? What is that, labor involved?

A. Labor involved, with some material.

Q. Can you give me the particulars of that?

A. One foreman at $6.45 a day; three assistant foremen at $4.85 a day; seven coke quenchers at $3.75 a day; six coke bin operators at $3.65 a day; twelve laborers at $3.55 a day; one carloader at $3.71 a day; one locomotive engineer at $5.01 a day; one switch-

man at $3.55 a day; one weigher at $3.59 a day; one man at the coke unloader $4.01 a day; another man at the coke unloader $3.71 a day; two engineers on boats for transportation of coke, $5.01; two mates on boat at $4.17 a day; two conveyor men $3.99 a day; two screening men $3.99 a day.

Q. What kind of a plant did you have in mind?

A. On the lines of the Astoria plant.

Q. The Astoria plant?

A. Right.

Q. Then, as to the kind of plant, why, we can assume that you used the Astoria plant? 14798

A. Right.

Q. The fences, and all that, the same as the Astoria plant?

A. Yes, that is an operation of an incline, machine operated horizontals or incline settings.

Q. Everything like the Astoria plant, say?

A. Well, it would be on the lines of the Astoria plant, yes.

Q. Then you have some oil enrichment?

A. Yes.

Q. Oh, just a minute. Cyanogen extraction, how much of that five cents is for the cost of cyanogen extraction? 14799

A. Well, that covers—there would be about twelve men in the cyanogen factory, and we would have to have copperas and sulphuric acid, which we would have to purchase for the cyanogen extraction—those two items.

The Master: I dont think you answered what percentage of the five cents is applicable to the cyanogen.

A. About two cents.

Q. Oil enrichment, Mr. Woods, you used some oil there?

A. Yes.

Q. Is that right?

A. Right.

Q. Now, with that amount of coal you stated a few minutes ago, two hundred pounds and ten pounds, that made 1,000 cubic feet of gas?

The Master: Of about fourteen candle power?

A. Yes.

Q. Now, you had some oil, 1.6 gallons of oil?

A. Yes.

Q. Then you should have more than 1,000 cubic
14801 feet; you did have, didn't you, in quantity?

A. No, not in the way that this is calculated, because this is based upon a high candle power water gas.

Q. If you had 1,000 cubic feet of gas with a certain amount of coal, and then you use more oil, over a gallon and a half, you say you don't have any more gas?

A. No, not under the method of calculating. If you made the gas from retorts, then you would have a greater quantity. The thing then could be converted back into the thousand cubic feet. However, this is based upon a high candle power water gas enrichment.
14802 Now whatever the excess requirements of candle power over and above water gas may be is charged to the coal gas.

Q. That oil then doesn't make any gas at all?

A. It makes gas yes but the excess oil required by the water gas is charged to the coal gas for the enrichment.

Q. Where is the credit in the volume?

A. There isn't any credit in the volume. It required so many gallons of oil to make a thousand cubic feet of gas on the water gas it might take 4.60, 4.70 or 4.80 gallons of oil to make a thousand cubic feet

of water gas, and of that 4.60, 4.70 or 4.80, or whatever the figure may be, the difference between what they would have used if they had not had coal gas and what they were required to use as having had to enrich the coal gas was charged to the coal gas plant.

By the Master:

Q. I think you have got to limit yourself as to the calculations as to coal gas without regard to water gas plants. You say you would get a thousand cubic feet of fourteen candle power gas out of two hundred pounds of coal and some coke?

A. That is right. 14804

Q. To bring that up to 22 candle power, irrespective of your use of a high candle power water gas, you say you need one and a fraction gallons of oil?

A. That is right.

Q. That means using the oil directly on the water gas?

A. Yes, or in connection with the water gas plant.

Q. I mean using oil directly in connection with the coal gas?

A. No, you are making high candle power water gas—

Q. Forget the water gas, assume you haven't any water gas anywhere around. You say in order to en- 14805
rich that 14 candle power coal gas up to 22 candle power you have to have 1.6 gallons of oil, don't you?

A. That is right.

Q. Forget all about your water gas now, when you use 1.6 to enrich your coal gas directly you are making a little more gas, aren't you?

A. You would make more, but that figure would be of a higher figure if you converted it in that way. If we enriched in retorts then we might get a figure instead of 1.6 of 1.8 or 1.9.

Q. In other words, your answer to it is that if you

14806 were to enrich directly in the retort by gas oil you would need more gas oil than in enriching this way?

A. We would need more gas oil as a matter of efficiency for one reason, and then we would have made oil gas which would have increased the whole amount based upon one thousand cubic feet, which would take 1.6 gallons.

Q. By using a little more oil you get a little more gas, and you get back to the same figure of 1.6 gallons?

A. Yes, 1.6 gallons.

14807 By Mr. Chambers:

Q. You don't mean that that 1.6 gallons of oil just makes candle power?

A. No, as I explained to the Master, if we made that oil gas we would have a greater amount of oil to use.

The Master: The witness's testimony is this, that he figures 1.6 gallons of oil gas by using a high candle power water gas enriched with oil. If he were to use gas oil directly in the retort of the coal gas works he would have to use more than 1.6 gallons, which would result in a larger quantity of gas, and then when it was analyzed

14808 back you would get the same result of a thousand cubic feet for 1.6 gallons. That is his testimony, which may or may not be accurate, of course.

Q. Did that prove out in practice at 42nd Street while you were making coal gas?

A. Right.

Q. It did?

A. It did.

Q. What percentage of water gas to coal gas did you figure in your computation?

A. I did not make any figure. That would depend entirely upon the candle power of the water gas. It

would make more or less, depending upon the quality of the gas.

Q. Wouldn't the efficiency of the conversion go down as the candle power of the water gas got above a certain point?

A. Well, if you tried to get up in the thirties, yes; if you ran 27 or 28 candle power, you would get as good a candle feet efficiency as you will for 22 or 23.

Q. That was the limiting factor that you considered?

A. Yes. You can run, in the ordinary type of water gas plant, with the materials that we have today, 14810 you cannot get above 30 candle power. The efficiency anywhere between 23, 29 and 30, the difference, you would not notice it.

Q. What do you mean by tar credits?

A. Tar credits, the sale of tar.

Q. Then that oil that you have last mentioned, that 1.6 gallons, makes some more tar?

A. Yes.

Q. In addition to the coal tar?

A. Yes. These tar credits, you understand in the operation as it is done by us, every gallon of oil used produces a certain amount of tar, and as the coal gas is charged with the oil, they are also credited with the 14811 tar which we get from the oil.

Mr. Ransom: The water gas tar?

The Witness: Water gas tar.

Q. Wouldn't it make some drip oil?

A. The oil from the—there might be to a slight extent. It would depend.

Q. You have not got it down here?

A. It would be extremely slight with coal gas, because coal gas will hold up a little better than water gas, and I cannot say but there might be a slight amount of drip oil, but I would not be able to calculate it.

14812 George E. Woods, Cross.

Q. Well, did you try?

A. No, I did not try.

Q. Iron oxide. That is the purifying material you spoke of before?

A. That is right.

Q. Did you estimate, or did you base that on some plant?

A. I based it upon almost any plant, depending upon the character of the coal. The amount of sulphur in the coal would have an effect upon that. It is the sulphur in the—it is the free sulphur in coal,
14813 which will very largely, it will run from 3.75 to nine and ten hundredths, so it would depend to some extent upon the sulphur content. You might get a very high grade gas coal that would be high in sulphur, and justify the use of that coal, but your purifier operation would be more than with a low sulphur coal.

Q. Did you have in mind the Astoria plant?

A. I had in mind the general situation as to the sulphur content of the coal we are receiving.

Q. Now, the city water, how much city water did you figure?

A. About the same as with water gas, for the general operation, cleansing and so forth, about two and
14814 one-half cubic feet per thousand.

Q. And handling spent material?

A. Handling spent material, that is the balance of the material. I think there were about five men working on handling spent material.

Q. What material did you mean by that?

A. Well, ashes and such material that had to be carted away, oxide, spent oxide and so forth.

Q. You mean the iron oxide that was used so much it could not be used any more?

A. Yes; when it gets to 40 or 45 per cent sulphur content we have to dispose of it, can't use it any more.

Q. Well, did you have in mind anything else, any other spent material?

A. No, that would be about all the spent material, ashes are spent oxide.

Q. Well, how much did you include for that?

A. What do you mean, in money?

Q. Yes.

A. There is something I cannot locate here. Five men.

Q. Five men? A. Yes. I haven't got the amount here.

Q. How much a day or an hour? 14816

A. I do not seem to have that itemized.

Q. What is the "etc." amount there?

A. Well, that covers the other items I spoke of.

Q. What are they?

A. Iron oxide, city water.

Q. You mean there is nothing additional in that?

A. Oil waste and sundries, etc.

Q. Oh, oil waste. Oil waste in that?

A. Yes.

Q. That is an estimate you make on the amount of oil waste that you use?

A. Yes.

Q. Oil waste to wipe the oil off their hands? 14817

A. Oil waste, sundries.

Q. You swab up the engines?

A. No, to keep the engines oiled, engine oil, cylinder oil, various kinds of engines.

Q. How do you differentiate that from miscellaneous works expense?

A. Miscellaneous works expense covers the item I spoke of, gas used, electricity, brooms and stationery and such items as that.

Q. You do not put oil waste then in miscellaneous works expense?

A. No.

14818 George E. Woods, Cross.

Q. That little distinction between those two?

A. No, because this oil waste and sundries, the oil waste, the oil, etc., that is used in the actual operations. The miscellaneous is cleaning up around the works, watchmen and such stuff as that.

Q. In other words, an oil waste would be under that and a broom would be in miscellaneous works expense?

A. Yes, brooms and mops and such stuff as that, where you are cleaning up, all goes into miscellaneous expense.

14819 Q. Gas making labor, what do you include in that item. Men, I assume, and how many?

A. I have got a superintendent at $5,000 a year.

Mr. Ransom: I would like to call the attention of the Court to the fact that without any ruling or direction on the subject, Mr. O'Brien and his experts have been examining these manufacturing books in court.

The Master: They are entitled to examine them here or anywhere else. The books are here.

Mr. Ransom: I wanted simply to show that they are.

The Master: They may look at them at the
14820 works, or they can look at them here.

Mr. Ransom: They have kept denying that they were examining them until they examine them in court. Now, I want the record to show it.

The Master: Go on. You have a superintendent at $5,000 a year.

Mr. Chambers: I am examining the witness.

Mr. Ransom: The record shows what you are doing.

The Master: A superintendent at $5,000 a year?

A. One assistant at $3,000 a year, three foremen—

The Master: How many?

The Witness: Three foremen.

Q. How much?

A. Two at $5.90 and one at $5.25; then we have half the time of a general foreman charged to gas manufacture. He gets $7.78 a day. One man on bench adjustments, $5.25 a day.

Q. Now, that item—

The Master: Are you finished? 14822

The Witness: No. Fifteen chargers at $4.45 a day; forty-five floor men at $4.25 a day. Five fire cleaners at $4.90 a day. One hydraulic main man at $4.25 a day. One assistant hydraulic main man at $4.09 a day. Four scurfers at—

The Master: What are they?

The Witness: They are the men that clean the carbon from the retort, burn out the carbon from the retorts.

The Master: How much a day?

The Witness: $4.19 a day. Then there are three foremen on purification and looking after the whole of the purification apparatus in the various departments, for one case he has been rated at $5.13, $5.09 and $5.05 a day; three exhauster house engineers at $4.97. Three oilers at $3.55. Three engine tenders at $3.55. Three drip men at $3.50. Three meter house men at $3.75. Three photometer men at $3.75. Two chemists at $5.10. Three boiler house engineers at $5.01. Three boiler house firemen at $4.25. Chief Engineer in the power house, $6.76. Two engineers at $5.25. Five foremen at $4.25. Two oilers at 14823

14824 George E. Woods, Cross.

$3.65. Two electricians general at $4.45. Six laborers at $3.55, and I had some clerks in there.

The Master: What?

The Witness: Some clerks. Chief Clerk, $2,400 a year, two other clerks, one at 29 and one at 25.

The Master: What is that, dollars a week?

The Witness: A week, yes, sir. One junior clerk at $15 a week.

The Master: One what?

The Witness: Junior clerk. A stenographer
14825 at $20. Three telephone operators at $3.90, $3.62 and $3.46, and one messenger at $12 a week.

Q. This is a very extensive plant you have been describing now?

A. Well, this would be a ten million foot coal gas plant, which is about 2 1/2 to 3 times the size of a water gas plant of the same capacity.

Q. The type of plant has a good deal to do with the kind of labor?

A. To some extent, yes.

Q. What type of plant did you have in mind? Oh, the Astoria plant?

14826 A. Yes, I did.

Q. The repair labor, what did you include in that item?

A. Repair foreman at $5.25; one patcher at $4.25; one blacksmith at $4.25; one blacksmith's helper at $3.55; two masons on hot work at $4.41; one mason's helper on hot work, $3.55; four masons on cold work, $4.41; two masons' helpers on cold work at $2.55; half the time of a general foreman at $7.78 per day; shop foreman at $7.11; one track foreman at $4.13; a labor foreman at $4.97; carpenter foreman at $5.20; half the time of an electrical foreman at $5.75. One

mason foreman at $4.41; four blacksmiths at $4.49; four blacksmiths' helpers at $3.45; three carpenters at $4.41; one carpenter's helper at $3.55; three electricians at $4.45; one electrician's helper at $3.25; five iron workers at $5.61; three iron workers' helpers at $3.45; three machinists at $5.25; six painters at $6.79; five pipe fitters at $4.37; six riggers at $4.01; one roofer at $4.09; one tinsmith at $4.59; one tinsmith's helper at $3.45; five track laborers at $3.55; one welder at $5.25; one welder's helper at $3.45; three pipe fitters' helpers at $3.45; five conveyor repair men at $4.01; two washer repair men—those are the men re- 14828
pairing naphthalene, cyanogen and ammonia scrubbers—one cable splicer, $4.01.

Mr. O'Brien: A splicer?

The Witness: A cable splicer. Eight laborers at $3.55.

Q. Repair material?

A. Well, I have not tried to itemize repair material, except that—I have not tried to give the amounts. That requires the firebrick and the retorts and the steel and the iron and a certain amount of lumber, various kinds of pipe for making repairs. It would cover the items of brick, iron, copper.

Q. That would be a variable quantity, would it not? 14829

A. It would vary from time to time, yes. The average would be about as I indicated.

Q. Gas storage, what did you include within that expense?

A. Gas storage I have included just exactly the same way as I did the other, covering the outfit as a whole.

Q. You mean you included a fireman for this?

A. No, the gas storage I said included firemen, engine attendants, oilers, and so forth.

Q. And if the holder was at the works, you would not need a fireman?

14830 George E. Woods, Cross.

A. No; but I am treating the situation as a whole.

Q. That would be a $7,000,000 foot plant if you had it right at the works, but that is not our condition.

Q. Is not that the way your plants are, most of them?

A. Not at all.

Q. At Astoria is not the holder at the works?

A. Yes, they have a holder there, but it is not a distributing holder.

Q. It is your estimate of practical conditions here in the city?

14831 A. Right.

Q. Renewals and replacements?

A. That would be on the same lines, renewals and replacements.

Q. As the other?

A. As the other.

Q. That is, you keep enough repair men here to keep this plant up to 100 per cent efficiency?

A. Absolutely.

Q. That covers renewals and replacements in the streets and the services?

A. It does.

Q. That would come under the cost of distribution, 14832 though?

A. It would.

Q. That has not anything to do with manufacturing?

A. Oh, partly.

Mr. Ransom: I object to the question.

Q. How much of it?

Mr. Ransom: That is a matter that has been determined by the Commission. The question whether it is cost of distribution is an arbitrary classification, fixed by authority of law. There is no reason he should be called upon to pass on that, whether it is a separate item from cost of distribution, and so forth.

Q. How much of that relates to the plant?

A. I did not try to segregate one from the other. I knew that from my knowledge the renewals and replacements were in excess of 3 1/2 cents covering the —I knew of the Standard Company. I knew of the Consolidated Gas Company, covering a long period of time, that renewals amounted to more than 3 1/2 cents, and I used the round figure of 3 1/2 cents.

Q. Do you have charge of the street work?

A. No, only in the absence of the chief engineer. The street work comes under my—the general superintendent reports to me in the chief engineer's absence. I have not direct control of it. 14834

Q. Have you not got a regular department of streets?

A. We have.

Q. And does not that come under his department?

A. Absolutely. He is at the head of it?

Q. Who is the head of that department?

A. The street department? Mr. C. C. Simpson.

Q. You do not have anything to do with it?

A. Only in a general way, in the absence of the chief engineer. As assistant chief engineer, the general superintendent would report to me.

Mr. Ransom: As part of the engineering under the chief engineer. 14835

Q. Simpson is the man who is in charge of that?

A. He is.

Mr. Ransom: I object to the question. There is no use trying to confuse the record.

The Master: This is not going to confuse the record at all. Mr. Bradley is the chief engineer, and Mr. Woods is assistant chief engineer.

Mr. Ransom: The acting chief.

The Master: Mr. Woods attends to the matter in the absence of the chief engineer.

14836 George E. Woods, Cross.

Q. Where do you get your information from for renewals and replacements?

A. I got that from the accounts of both the Standard and Consolidated Companies. I looked up the records to see what the renewals had been for a number of years.

Q. Aside from that you had no knowledge of it?

A. That is the only way you could determine what the withdrawals had been.

Q. To get it from the books?

A. Absolutely.

14837 Q. Then what did you do, add something to it, or take just what you found on the books?

A. Why, I said that I had found that the renewals and replacements indicate that the Consolidated Gas Company, covering a period of years, was 3.6 cents—3.64 I think the figure was, I cannot remember exactly—and that the Standard was something like 3.8 cents, covering a period of years, I think, since 1901, and I assumed and used this figure of 3 1/2 cents.

Q. You do not know what their renewals and replacements would be for this year, do you?

A. No, you could not estimate renewals and replacements for one year. Your renewals and replace-

14838 ments for one year might be extremely small, and the following year or two years hence. The only way you could determine the renewals and replacements is to cover a long period of time.

Q. About how long? Ten years?

A. I would not say ten years. It might cover a longer period than that. You take a plant, and there might not be the first ten years any renewals, or very much.

Mr. Ransom: I would like to say one thing which the record ought to show. With respect to Exhibits 353 and 354, since your Honor did

not allow this witness to prove the cost of distribution, this figure of 19 cents for cost of distribution which is given on these two exhibits is below the actual figure, for example, of the Consolidated, because this figure worked out by the witness eliminated the expenses of the so-called appliance business.

The Master: I cannot consider the statement at all, Judge Ransom. In the first place, those papers are not in evidence. In the second place, I cannot take your explanation of what it may show, even if they are in evidence. 14840

Mr. Ransom: I simply call attention to that. I do not want that as an admission, because it has been furnished to the defendant by your Honor's direction and not of my volition. I do not want that to be regarded as an admission, that the cost of distribution is as low as 19 cents. It was simply furnished by your direction. I had no intention of so furnishing it, and the witness is not permitted to testify how the figure in that respect is made up.

Mr. Chambers: I think that covers substantially all of my questions. There may be some two or three that I have overlooked. Mr. Maltbie is not here today and I think possibly he might suggest some additional ones. 14841

The Master: Mr. O'Brien, do you want to ask anything?

Mr. Chambers: I was going to suggest that we adjourn here now. The witness seems to be pretty tired.

The Master: I am asking Mr. O'Brien if he has any questions?

Mr. O'Brien: I have, your Honor.

The Master: Go ahead.

Mr. O'Brien: I would ask at this time, though, that the matter go over until tomorrow morning.

The Master: No.

Mr. O'Brien: Or adjourn the cross-examination of the witness until some other time.

The Master: No, the witness's direct was all in last Friday, or perhaps on Thursday. You have had four days, or three days, in which to prepare. Go ahead.

Mr. O'Brien: I think it is a reasonable request, your Honor, because the complainant has for
14843 one cause or other taken his witnesses off the stand, put them back on again and taken them off and put them on, and even is accommodating himself with this particular witness by stating that he is only finishing the direct as to operating expenses and in that way is just suiting his own convenience, chopping up his testmony, much to our embarrassment. Not only was it so with him, but it was so with regard to Mr. Teele and Mr. Brundage.

The Master: Yes, I have heard that before, Mr. O'Brien. I have heard that several times. Every time I ask you to proceed with the witness
14844 you tell me the same thing. If you have any examination of the witness you will have to proceed.

Mr. O'Brien: I take exception to your Honor's denial of my request for further time for preparation of the cross-examination of the witness.

The Master: The exception is noted.

Mr. O'Brien: I would like to have it appear on the record, your Honor, that it is now seven minutes after five; that the meeting was set today for 2 P. M. without consulting the attorney for

the defendant, Edward Swann; that the arrangement as to time has as yet not been done at the convenience of the counsel for the defendant Edward Swann; that we are asked now to proceed until six o'clock, because the Master insists that there shall be four hours of this hearing today regardless of the request of the defendants.

The Master: The Master states that the record will show that when we adjourned on Friday I announced that we would sit today from two to six. There was no objection by anybody, and the objection has only arisen when I am directing counsel to proceed with the cross-examination. 14846

CROSS-EXAMINATION BY MR. O'BRIEN:

Q. Mr. Woods, are there any other positions that you fill besides the positions that you have named?

A. There are not.

Q. Are there any other salaries that are being paid to you besides the salaries that you have already mentioned?

Mr. Ransom: I object to that as immaterial and not cross-examination.

The Master: It will be allowed. 14847

Mr. Ransom: Exception.

A. There are not.

Q. Are you consulting engineer for any other companies besides the ones that you have mentioned?

A. I am not.

Q. Do you spend all of your time in the employ of the complainant company and the affiliated companies?

A. I do.

Q. Is there a record kept of any kind of the distribution of your time?

14848 George E. Woods, Cross.

Mr. Ransom: I object to that as already covered.

The Master: Objection sustained.

Mr. O'Brien: That has not been already coveverd. I have followed the testimony of the case and have made notes, and it has not been covered. I submit that it is perfectly proper for me to find how much time the witness spends in the different plants of the affiliated companies, and what work he does. That goes not only to the question of the amount of money that is being paid to him actually, but it goes to the question of his testimony here directly, to the root of the testimony that he gave in he last two or three days.

14849

The Master: Objection sustained upon the ground that the matter of the apportionment of time between this and other companies has been fully covered, and exception allowed.

Mr. O'Brien: I note an exception.

Mr. Ransom: In Mr. O'Brien's absence, I assume.

Mr. O'Brien: I am going to insist that some respect be paid to me by counsel for the complainant.

14850

The Master: I did not hear what counsel said.

Mr. O'Brien: I don't think that at any time I have ever made a comment that I did not get some remark from somebody in this case. I am going to insist that he be kept in his seat with that big flapper of a hand of his coming up here to tell you how to rule. The disrespect he shows the Court is worse than that he shows me.

The Master: I will take care of the Court. Go ahead.

Q. Take the period of the last ten years, Mr.

Woods, have you selected the apparatus used in gas manufacture of the complainant company?

A. I have participated in the selection.

Q. To what extent?

A. As a matter of conferences as to what was or was not a good thing.

Q. Were your advices always taken?

A. I think they were always carefully considered.

The Master: The question is, were they always taken?

The Witness: As far as I know, yes.

Q. Is that true of the period back before 1905? 14852

A. To the best of my recollection, yes.

Q. So that we may assume that wherever any gas making equipment or apparatus have been put in the plants of the Consolidated Gas Company, and the Standard Gas Company, and the Astoria Company, and the other affiliated companies, you have O K'd it or approved of it?

A. I think I have.

Q. You cannot recall any case where some one has disagreed with you, Mr. Bradley, or any other officer of the company?

A. It may have been possible; if so, I do not recall it. 14853

Q. It would be on minor matters, would it, if at all?

A. Probably.

Q. Were you in on the conferences that led to the determination to erect a plant at Astoria?

A. The original plant?

Q. Yes.

A. Yes.

Q. And did you make any investigations that led up to the establishment of the plant at Astoria?

A. Before they started the original plant, the investigations were largely made by Mr. Bradley who

14854 George E. Woods, Cross.

went abroad at the time for the purpose of making these investigations.

Q. Were investigations made for that purpose in this country?

A. Yes, he made investigations. The advance of the art on coal gas at that particular time was more advanced in Europe, in England and on the continent than in this country, and that was due to the fact that we had had large quantities of petroleum oils here, and improvements in coal gas manufacture had not been considered to the extent that they
14855 had been on the other side where they had to confine themselves largely to coal gas production. As a matter of expenditure involving a greater amount for the use of coal gas, and with the large quantities of petroleum oils which were available for us at that time and since in this country, this country to a large extent confined itself to the production of water gas; but it was about that time that we were considering the extension along coal gas lines, believing that the oil situation might at some future time justify and warrant and compel the manufacture of coal gas. With that in mind Mr. Bradley, the chief engineer, spent some months abroad investigating to find out
14856 what in his judgment was the best type of apparatus to instal.

The Master: Mr. Woods, I did not want to interrupt your answer, but your answer was wide of the question, which was a perfectly simple one, and if you had answered it we would have saved a good deal of time. The question was, was any investigation made in this country?

The Witness: There was investigation made in this country, yes.

Q. By whom?

A. I think Mr. Bradley made most of the investigation at that time.

Q. In this country?

A. Yes.

Q. And these conditions and facts that you have just narrated are as of what year?

A. My recollection is that the Astoria plant was started in 1903. I think it is probable that Mr. Bradley went abroad in 1902.

Q. So that the conditions that you speak of would be as of around 1902 or 1903?

A. As of 1902. I came with the Consolidated Gas Company in March, 1901. I think it was in 1902 that Mr. Bradley was abroad, and it was in 1903 that 14858
the Astoria plant was started. The Astoria property, however, had been purchased prior to that time.

Q. Even prior to 1902?

A. Yes.

Q. How long before?

A. I don't know the exact date, but they had in mind that sooner or later they would require extensions of plant, and that it might be difficult to get ground in Manhattan, and this land was acquired as of about that time for extension purposes.

Q. Well, there was some question about locating in New Jersey, was there not?

A. I think there was some discussion on it. 14859

Q. Did you make any recommendations with respect to that?

A. No particular recommendation, although the matter was discussed.

Q. Did you go into that question from an engineering standpoint?

A. No, I don't believe we did.

Q. Did you go over any possible sites in New Jersey?

A. I don't recall that we did.

Q. Did you make any written reports with regard

14860

to the advantages that might accrue from the establishment of a plant at Astoria, and the adoption of the coal gas system?

A. I don't think I did, Mr. O'Brien.

Q. Were you of sufficient authority at that time to be called into the councils of the company seriously to discuss and determine what to do at Astoria?

A. I was engineer of manufacture, and those matters were discussed with me in so far as operation was concerned.

Q. Do you recall whether you approved of the plan

14861 that was afterwards adopted?

A. Yes, sir; I approved the plan as adopted.

Q. Mr. Woods, how long before 1902 had the use of gas oil been in vogue in the manufacture of gas?

A. Well, I should say about in the early nineties.

Q. In 1902 or thereabouts when this matter was reaching a culmination, the manner of building an extensive plant at Astoria, you were running the 42nd Street, 14th Street, 99th Street and 21st Street plants?

A. And 44th Street.

Q. And 44th Street was what, a coal gas plant?

A. Water gas.

14862 Q. And that plant was discontinued in what year?

A. I think it was in 1913.

Q. When did the work of constructing the Astoria plant begin and end?

A. Construction started sometime in 1903. The actual operation started December 6, 1906, I think.

Q. And you had to do with the construction of the plant and the construction of the equipment, did you?

A. No, I did not. I say Mr. Bradley's investigations resulted in the selection.

Q. Were you not then the assistant to him as you are today?

A. No, I was not assistant chief engineer.

Q. You were then chief of manufacture?

A. I was.

Q. Did you have to do with the selection of the equipment?

A. We only discussed it. Mr. Bradley's knowledge covered a greater area than I had, after this investigation that he made, and we discussed what he had seen and what he had found out, and as a result of it these plans were adopted.

Q. Was his investigation in this country as extensive as it was in Europe, leading up to this determination? 14864

A. Not as extensive, because there was not the scope with which to make an investigation.

Q. There were a great many coal plants then, were there not?

A. Not any particularly important plants.

Q. What would you say as to how many coal gas plants there were in the country at that time?

A. Why, I think there were quite a number of coal gas plants. I think there were very few coal gas plants in the country that were mechanically operated at all. I think most of them were stop-end retorts. I don't think there was one case of through retort at 14865 that time, and I question whether there was an incline setting in the country. There may have been one. That, of course, was prior to the time of the intermittent and continuous verticals, etc., which came along at a later date.

Q. What is the difference between one and the other?

A. Only as a type. One is built one way and one another. A horizontal—the retorts are on a horizontal plane.

Q. Such as you have at 42nd Street?

14866 George E. Woods, Cross.

A. Yes, except those are stop-end retorts and in the case of Astoria they are throughs.

Q. What is it you call them?

A. Through retorts. They have an opening at both ends.

Q. 14th Street is a stop-end also?

A. 14th Street is a stop-end. An inclined retort has an opening at top and bottom, the retorts are set at an angle of about 32 degrees so that the coal can be put in from the top and allowed to run down. The angle is about the angle of the repose of the
14867 coal, so that you get an even bed of coal through the length of the retort.

Q. Are they in Astoria incline retorts?

A. They are.

Q. In 1902 there were in general use throughout the country coal gas plants, as well as water gas plants?

A. They were in use. The old style horizontal retorts were in use throughout this country in various parts. I should say that at that time 85 per cent of the gas that was made was the carburetted water gas.

Q. And the result then of the deliberation of the
14868 company and the investigations made by its engineers was the establishment of the Astoria plant with all the modern machinery that then could be acquired?

A. That is right.

Q. There were many improvements put in that had not been used previously in the coal gas plants in the country?

A. That is right.

Q. There were labor saving devices there installed?

A. That is right.

Q. That had not previously been used in other parts of the country in other coal gas plants?

A. Had not been used; that is right.

Q. And there were many of those devices put in that were not previously and were not since used in the 42nd Street and 14th Street plants?

A. That is right.

Q. The retorts and the work in the retorts, about the retorts by the gasmakers in 42nd and 14th Streets has been by manual labor.

A. At 42nd Street it was manual labor, and 14th Street mechanical operation. That was one of the few coal gas plants in the country that was mechanically operated. 14870

Q. And that machinery that you run along on a track from retort to retort is called what?

A. The charging and discharging machine.

Q. And that was in use for a number of years in 14th Street, but not in 42nd Street?

A. That is right.

Q. Was that machinery improved upon by the apparatus put in the Astoria plant?

A. Yes, it was a different type; that is, the charging machine was of the Bronner type, that is still in use to some extent. They had both the Bronner charging and discharging; they called them the Bronner drawing machines, because they operated on stop- 14871
end retorts, and this operation required a rake to go into the retort and pull the stuff out. The later type was that of a through retort, that you could put the coal in there by means of different types of charging apparatus, there were several kinds, that the coke instead of being drawn was pushed through, you simply put your ram head of your pusher and it forces the coke out through the other side, instead of being a draw arrangement, it is a pushing proposition.

Q. Well, the Astoria plant was designed by you and Mr. Bradley and his subordinates, was it?

14872 George F. Woods, Cross.

A. Yes, in consultation with other engineers to get the best that we could.

Q. Mr. Woods, was the plant planned and designed by you and Mr. Bradley and other engineers in the company?

A. I think probably there was some outside engineers called in in consultation and in connection with various type of apparatus.

Q. Do you recall who they were?

Mr. Ransom: I object as immaterial.

14873 The Master: Oh, I am going to allow a fair cross-examination on it. Apparently the attitude of the defendants is that you have not got as up-to-date a plant as you ought to have, and that you could more economically make gas than you are making it. I will allow it, and I will allow them a fair range of latitude on that.

Mr. Ransom: Is that the defendants' attitude as it has been stated?

The Master: I get that impression from the questions asked and some other things that have been said. I am not going to permit a very wide range, but I will permit a fair range.

14874 Mr. Ransom: I notice silence from the defendants on that statement of their position.

The Witness: I do not recall the names now, but there were some men called in as to the type and character of buildings. I think the Bartlett-Hayward people were called in in connection with the holder construction and some of the type of apparatus which they built; the Riter-Conley people of Pittsburgh, Pennsylvania, were also called in as to the type and character of apparatus which they build; the Brown Hoist Company, of Cleveland, Ohio, was called in connection with certain types of coal

handling. The Link Belt people were called in on certain types of conveyors for coke handling; and there were probably fifteen or twenty various people who were experts in some particular line, and they were called in to get the best that we could.

Q. Do you remember Alton S. Miller?

A. I do.

Q. He was then in the employ of the affiliated companies?

A. My best recollection is that Mr. Miller left the employ of the Consolidated Gas Company either 14876
in the early part of 1902 or 1903. I do not recall. I think it was in 1902. Mr. Miller went with the Consolidated Gas Company at the same time that I did. I think it was on the 12th of March, 1901. My best recollection now is that he stayed with the company about a year, and then went as president and general manager of the Baltimore Gas Company. I think that was 1902. It may have been the early part of 1903.

Q. Well, did he have anything to do with the designing and drafting and the planning of the Astoria plant?

A. I think possibly some, but I think most of it 14877
was done after Mr. Miller left. That is my best recollection, but I may be mistaken.

Q. What was his position when he was with the complainant company or any of these affiliated companies?

A. Mr. Miller was an assistant chief engineer and engineer of construction.

Q. Well, the plant was completed in 1906?

A. It was.

Q. And operation was begun in that year?

A. It was.

14878 George E. Woods, Cross.

Q. It has been operating since?

A. It has.

Q. And has it been operating in the same manner; that is, did it start with the manufacture of water gas and of coal gas?

A. No.

Q. It started as a coal gas plant?

Q. As a coal gas plant.

Q. Have there been many extensive additions to the plant since 1906?

A. Not to the coal gas plant, but since that time
14879 we have built the water gas plant.

Q. How long did you continue as a coal gas plant before the addition of the water gas system?

A. The water gas plant was completed in 1912. We probably started operations there in 1911.

Q. So that from 1906 to 1912, not inclusive, that was operated as a coal gas plant?

A. It was.

Q. Now, tell us about—approximately the production during those years.

A. I really could not tell you, Mr. O'Brien. I do not know right now. I suppose we got up through—

Q. Can you roughly approximate it?

14880 A. It may be possible we got up to ten or twelve millions; I don't know; twelve or thirteen millions in the peak.

Q. A day?

A. Yes; the two plants had a combined capacity of twenty millions.

Q. They have now?

A. Yes, and they had then.

Q. Has the capacity been increased since 1906?

A. It has not.

Q. Not even by the addition of the water gas plant?

A. Oh, yes; I thought you referred to the coal gas plant, which capacity has not been increased.

Q. That is the same as it was in the beginning?

A. And at the present time we have in addition to the 20,000,000 coal gas plant, a 30,000,000 water gas plant.

Q. And that began in January, 1912?

A. The operation?

Q. Yes.

A. I think it was in May.

Q. May of 1912?

A. Yes.

Q. And that has been going ever since?

A. Right. 14882

Q. Well, have there been any extensive additions made to the plant of 1912 in the shape of apparatus or modernized machinery for labor saving?

A. No, I don't think there has been since 1912. I should say there has not been any great extension. increased?

A. No.

Q. Have any of them been taken out and replaced by others?

A. No.

Q. Since 1906 have there been any notable changes made in the apparatus for coal gas manufacture?

A. No. 14883

Q. That is practically the same today as it was then?

A. Very little difference.

Q. And have there been any retorts taken out?

A. Oh, yes, we are taking them out and putting them back every year. That is simply a repair account. You take a bench of retorts and it will run anywhere from twelve to fourteen hundred days, and then it must be taken out and others put in their place.

Q. Well, when you say the benches of retorts have

14884 to be taken out and others put in their place, do you mean the brick construction?

A. Yes, the arches remain, we tear out all of the retorts down to the charging floor, down to the recuperators and that is entirely cleaned out after a period of anywhere from twelve hundred to fourteen hundred or fifteen hundred days. The arches, however, remain.

Q. Well, what part is actually taken out?

Mr. Hayward: I would like to ask the witness if he tears out to—he said down to some-

14885 thing.

Mr. O'Brien: Down to the recuperating station.

A. We take out down to the operating floor level, the recuperators will last for a longer period of time, we have only changed recuperators, not entirely, I don't believe, in any case, except on a few benches, and the other benches we take out from the floor line both in the horizontal and in the inclined, anywhere varying from twelve hundred to fifteen hundred days, depending on the condition they are in. They do not all remain the same.

Q. You do not take out any brick, do you?

14886 A. Oh, absolutely.

Q. You take out the floor of the place where the fire is?

A. Yes, we take out and rebuild all the furnaces, take out all the retorts and leave the arches, all the furnaces are rebuilt, practically everything is taken out after this period of time except the recuperating system, which is left for an indefinite period of time. The recuperators will remain a long time, as will the arches.

Q. Well, now, tell us what the recuperators are, before we go any further?

A. The recuperators are for the purpose of—they are called generators or recuperators, they mean the same, for the purpose of admitting air which traverses through and around these recuperators and becomes heated from the escaping gases as the result of combustion of the furnace, for the purpose of getting a greater efficiency in the combustion of fuel for the purpose of keeping the retorts hot.

Q. Well, it is a draft, isn't it?

A. There is a draft, they have stacks, and the action of this smokestack creates a friction draft through this material up into the furnace, which is 14888
at that point. We have what we call primary and secondary air, the primary to supply sufficient oxygen to keep the- to get the fires and coke burning, and the secondary air to complete the combustion at the top of the coke.

Q. Well, is it the action of the fire upon the brick that causes it to—makes it necessary to have it removed?

A. The action of the fire and the abrasion as the result of operation, the expansion and contraction, the pushing in of the coal and taking it out and the general cracking condition. Sometimes you will have expansion or contraction which gets them out of 14889
shape so that you cannot get the proper charge in, and the flues require extensive cleaning because there is a certain amount of dust and dirt that gets over into it and you cannot maintain your heats and after this period of time they are taken out for overhauling.

Q. Well, the area of land in Astoria, what area have you?

A. I should say 340 acres, roughly.

Q. And the buildings and the coal pile with the conveying apparatus now there cover about what proportion of that 340 or 350 acres?

A. Well, the buildings and the coal pile, storage of oil, power houses, I should say 60 to 70 acres.

Q. 60 to 70 acres?

A. Yes.

Q. And it is on the Sound, I mean it is on the water front, all of this?

A. It is.

Q. Do you know what the water front is, the lineal feet?

A. Well, there is—I could not tell you, Mr. O'Brien. The entire water front is not—we haven't
14891 bulkheads on the entire amount. It is only bulkheaded to the extent that we are using the property.

Q. Well, you have then considerable water front that is not yet used, not bulkheaded?

A. Oh, yes, there is some bulkheaded property there. There is some of the water front that is not fitted for bulkhead property unless a great deal of money is spent for removing the rock.

Q. Well, you are quite close to Hell Gate?

A. Yes, I suppose Hell Gate might—the upper end of Hell Gate would be along there somewhere.

Q. You mean that the river would have to be excavated there, the rock taken out, to give you a proper
14892 depth at the bulkhead, is that what you mean?

A. Right.

Q. And you watched the operations of the plant from the time that it was started in 1906?

A. I started it, Mr. O'Brien.

Q. You started it yourself?

A. Yes.

Q. And you have been there right along ever since?

A. I have.

Q. You have made what, almost daily visits?

A. Yes.

Q. You live in Astoria?

A. Yes.

Q. You come by that way to your other offices, do you?

A. I usually stop there before I come over.

Q. And talk with the superintendent?

A. Yes.

Q. Run through the plant sometimes?

A. Yes.

Q. And you see how it is conducted, and make suggestions as to its changes, do you not?

A. Yes.

Q. And you pass upon alterations? 14894

A. I do.

Q. You make recommendations or directions as to the method of operations that have been going on since that time?

A. Yes.

Q. So that you are pretty thoroughly acquainted with the operating results of the plant?

A. I am.

Q. And will you tell me whether you had anything to do with the change of the system to the extent of adding the water gas system in 1912?

A. I think we discussed it. We needed increased capacity and believed that was a logical place to put 14895 it.

Q. You needed increased capacity of gas?

A. We did.

Q. And you thought—what did you mean when you said you thought that was the logical place to put it?

A. We thought that it was the logical place, or else we would not have put it there.

The Master: Mr. O'Brien asked why did you think it was the logical place?

The Witness: Because we had the property

there, it was adjacent to a coal gas plant where the operation would be economically done, we had that property and we had no property here that was adaptable for the purpose and it was thought that what extension we had to make should be made there.

Q. Did you own the Kingsbridge land then at Sedgwick Avenue and Fordham Road?

A. No, we did not own that land then.

Q. How many coal gas units did you have there in 1906, to 1912?

14897 A. Two.

Q. Two. Wasn't the original plan to build more?

A. No.

Q. Are you certain of that?

Q. The original plan—that is, as to extensions it was not known what we were going to do.

Q. What was the original plan as to the number of coal gas units?

A. Two. One inclined and one horizontal.

Q. Have you ever made any statement to the effect that it was planned to have four?

A. I do not recall ever having made such a statement to any one.

14898 Q. Were you at a conference where Mr. Bradley ever said that they ought to have four and were endeavoring to have four?

A. I never heard of it.

Q. Have you ever read the record of the former Consolidated Gas Company litigation?

Mr. Ransom: I object to the question as immaterial and incompetent.

The Master: Objection sustained, not proper cross. You may call the witness's attention to anything he may have said in any other place, but not what some one else said.

Q. Could you refresh your memory on that, Mr. Woods, as to what was the original plan?

Mr. Ransom: I object to that.

Q. Would you refresh your memory on that, Mr. Woods, as to what was the original plan in the erection of the coal gas system at Astoria?

Mr. Ransom: I object to the question as incompetent and immaterial.

The Master: Objection sustained. How is it important, Mr. O'Brien, as to what was thought and discussed at that time?

Mr. O'Brien: It is leading up to the things 14900
that—

Mr. Ransom: Leading up to what the legislature did with the candle power?

Mr. O'Brien: No, it goes deeper than what the legislature did with the candle power.

The Master: Mr. O'Brien, I was anxious to see if I could let you finish your line quickly and then adjourn.

Mr. O'Brien: What I will say to you, your Honor, is this: That you will see all the way running through this case the development of the use of oil. That is an important matter.

The Master: What I am anxious about just 14901
now is this: Whether I can run a few minutes and finish up a line, or whether I have got to run to six o'clock, or whether you are on a line now that is going to take so long I can adjourn now. But I do not want to take the time in argument.

Mr. O'Brien: I will ask one or two questions which will make a fitting close. But I will say this: I have no hesitancy in telling your Honor what is in my mind, and I want your Honor to be impressed with the question of the use of oil. These people have had oil to sell and the methods

14902 George E. Woods, Cross.

by which they took to market their oil—those things are significant.

The Master: That is the reason why I asked you the point of the question, whether it was the original plan to have four. Now, I gather that it was originally intended to have coal gas plants but that the people in control finally changed the plan in order to have water gas plants.

Mr. O'Brien: That is the idea.

Q. Mr. Woods, what investigation, if any, was made by Mr. Bradley or you or any other engineers,
14903 or all of you, leading up to the addition of the water gas system to the plant at Astoria?

A. You mean as to why we did not put in coal gas or water gas? Is that your question?

Q. What led up to it in 1912? How far, if you made any investigation, your investigation went; whether the other officials went into it and what they did to determine that; then I want the reason why it was done.

Mr. Ransom: That is a large question.

The Master: I think by the time the witness is finished that answer we will adjourn for the day.

14904 Mr. O'Brien: That is the way to save time.

A. The question of 22 candle power was one consideration that we could not—

Q. Be definite and just say how that came in at that time, and why?

Mr. O'Brien: That is a suggestion, your Honor, because he may cover half a dozen questions in one answer. He wants to be graphic.

The Master: If you do not think it is a disadvantage to you to adjourn now, I think it might be well to adjourn now and let the witness give that answer in the morning.

14905

Mr. O'Brien: I would rather have it now.

The Master: If you think you would rather have it before we adjourn we will stay here.

Mr. O'Brien: I would rather have it before he consults with Mr. Carter. I would rather have it now.

A. The question of 22 candle power was one material consideration, because we had a twenty million foot plant and for a great period of a year, with any greater amount of coal gas, we would have the plant idle owing to our inability to maintain a 22 candle power gas, operating any large amount of coal gas.

14906

Q. Let me get that. You say that one of the reasons why you decided to make the change was that you were unable in this twenty million foot coal gas plant to produce gas of 22 candle power; is that correct?

Mr. Ransom: I object. The witness has not said there was any change. There was not any change.

The Master: I am going to allow that question.

Mr. Ransom: Mr. O'Brien rings into this long speech the assumption of something the witness has not testified to and would not.

14907

The Master: The witness is capable of taking care of himself.

Mr. Ransom: Mr. O'Brien interrupts in the middle of the witness's answer and he asks a dozen questions in one and then does not let him answer.

The Master: Do you remember this last question, Mr. Woods, or shall the stenographer read it to you again?

The Witness: I think I can answer it, your Honor.

14908 George E. Woods, Cross.

A. So long as we had to make 22 candle power gas it was infinitely better to go on a water gas basis than to make a large amount of coal gas with some kind of oil enrichment.

Q. Just a minute right there.

Mr. Ransom: Let him finish his answer.

Mr. O'Brien: No.

Mr. Ransom: Why is Mr. O'Brien so afraid of this witness's answer? I insist that the witness finish his answer.

The Master: Yes.

14909 Mr. O'Brien: He is proceeding to give another reason, and I want to examine him along that line before he goes on.

The Master: You will have to let him finish his answer.

Mr. O'Brien: He has not given me any answer. At that, I better ask the question over again.

Mr. Ransom: If you will let him answer the question he will.

The Master: Please do not get into a discussion with counsel, Judge Ransom. Let me get this record clear.

Mr. O'Brien: I want to have him give me a—

14910 The Master: Let us understand the rule in this case to be when you want a ruling of any kind or want something done you address the Court and not get into an argument with counsel.

Mr. O'Brien: You are addressing yourself now to Mr. Ransom, I understand?

The Master: I am. As a matter of discretion I am going to let Mr. O'Brien interrupt the witness at this point. Ask the next question.

Mr. Ransom: You will allow me an exception?

The Master: Yes.

Q. Give me this direct answer, will you, because I want to be sure that I understood you in your answer about the 20,000,000 cubic feet of coal gas.

Mr. Ransom: I object. I now address the Court, and I desire to call to the attention of the Court, the improper character of Mr. O'Brien's alleged question, in that he comments on what he claims to be the failure of the witness to give an answer, when Mr. O'Brien has physically and forcibly, by great volume of words, prevented the witness from giving an answer.

The Master: All right. Mr. Woods, will you 14912
be good enough to tell us why you decided to have a water gas plant, instead of extending your 20,000,000 coal gas capacity?

The Witness: Because we had to make 22 candle power gas. That is one thing.

The Master: Why could you not do that with an extended coal gas capacity?

The Witness: We could. Another very important reason was the disposition of our coke.

Q. Could you or could you not make a 22 candle power gas in the system you had there? That is what I want to find out?

Mr. Ransom: I object again. I again ad- 14913
dress the Court.

The Master: I will permit an answer to that question and then adjourn. The stenographer will read the last question.

Mr. Ransom: Addressed by the Master?

The Master: No, the last question Mr. O'Brien asked, which, in substance, was: "Could you or could you not have made 22 candle power gas in that coal gas plant?"

The Witness: We could, with enrichment.

14914 George E. Woods, Cross.

The Master: And you could have made a larger coal gas plant and made 22 candle power gas with an oil enrichment?

The Witness: We could.

Mr. O'Brien: Will your Honor allow me to go ahead for a half hour along this line?

The Master: No, we will adjourn until 9:15 tomorrow morning.

Mr. O'Brien: I would like to have him cover this particular topic before the witness has a chance to get into the recuperating house.

14915 The Master: Adjourned until 9:15 tomorrow morning.

Mr. Ransom: May I say that tomorrow, or at the close of Mr. Woods' examination, I shall expect to call the witness Brundage for cross-examination; that following that I shall expect very briefly to examine Mr. Teele further, then offer him for cross-examination. This notice is now given in order that counsel may be ready with Mr. Brundage and Mr. Teele.

Adjourned to Tuesday, October 21, 1919, at 9:15 A. M.

14916 Last Complainant's Exhibit No. 358.
Last Defendants' Exhibit MM.